SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1951

No.

GULF RESEARCH & DEVELOPMENT COMPANY, WELEX JET SERVICES, INC., AND BYRON JACKSON CO., PETITIONERS,

vs.

THE HONORABLE PAUL LEAHY, UNITED STATES DISTRICT JUDGE AND SCHLUMBERGER WELL SURVEYING CORPORATION

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

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[fol. 1]

IN THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

PETITION FOR WRIT OF MANDAMUS IN GULF RESEARCH & DEVELOPMENT COMPANY ET AL. V. SCHLUMBERGER WELL SURVEYING CORPORATION, CIVIL ACTION NO. 1342 IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF DELAWARE

To the Honorable Judges of the United States Court of Appeals for the Third Circuit:

Petitioners Gulf Research & Development Company, Welex Jet Services, Inc., and Byron Jackson Co., being corporations duly organized and existing under the laws of, respectively, the State of Delaware, the State of Texas, and the State of Delaware, but having their principal places of business in, respectively, Pittsburgh, Pennsylvania, Fort Worth, Texas, and Los Angeles, California, file this their petition for writ of mandamus to The Honorable Paul Leahy, United States District Judge for the District of Delaware, directing him to nullify, vacate, and set aside an order entered by him on the 23rd day of May, 1951, in a case entitled *Gulf Research & Development Company, Welex Jet Services, Inc.*, and *Byron Jackson Co. v. Schlumberger Well Surveying Corporation*, Civil Action No. 1342 in the United States District Court for the District of Delaware, denying, for reasons not bearing upon the merits thereof a motion of petitioners for an order transferring said action to the United States District Court for the Southern District of California, Central Division; and either directing said Honorable Judge to consider said motion on its merits and to determine thereupon whether said motion should be granted, or, in the alternative and after consideration thereof by this Court, directing him to grant said motion; and for cause show:

[fol. 2] Nature of the Suit and Proceedings

On March 20, 1950, petitioners, as plaintiffs, filed a complaint in the United States District Court for the Southern District of California, Central Division, against Schlum-

berger Well Surveying Corporation, charging infringement of Letters Patent of the United States and alleging that the action arose under the Patent Laws of the United States. A copy of the complaint is submitted herewith as Exhibit A. The substance of the allegations is as follows:

1-3. Plaintiffs Gulf Research & Development Company, Welex Jet Services, Inc., and Byron Jackson Co., are corporations duly organized and existing under the laws of, respectively, the State of Delaware, the State of Texas, and the State of Delaware, and have their principal places of business in, respectively, Pittsburgh, Pennsylvania, Fort Worth, Texas, and Los Angeles, California.

4. Defendant, Schlumberger Well Surveying Corporation, is a corporation duly organized and existing under the laws of the State of Delaware, "and is doing business in the Southern District of California, Central Division, and for the purposes of this action is a resident thereof".

5. This is an action by plaintiffs for infringement by defendant of Letters Patent of the United States, and arises under the Patent Laws of the United States.

6-10. Plaintiffs are the owner and successive exclusive licensees of United States Letters Patent No. 2,494,256. Since issue of said Letters Patent defendant has been and now is infringing said Letters Patent and intends to continue so to do. Defendant has been duly notified of its infringement of said Letters Patent. Plaintiffs demand an injunction against further infringement and an accounting for damages for said infringement.

[fol. 3] Proceedings Following the Filing of the Complaint

A. In the United States District Court for the Southern District of California, Central Division

After service of summons, and before answering, defendant moved under the provisions of Section 1406(a) of Title 28, United States Code, for an order dismissing the complaint because of improper venue. A copy of said motion is submitted herewith as Exhibit B. Said motion was based on the contentions that Section 1400(b) of Title 28, United States Code, is the exclusive statutory provision controlling venue in patent infringement actions; that Section 1391(c)

of Title 28, United States Code, does not provide a definition of the residence of a defendant corporation for Section 1400(b); and that the enactment of the 1948 revision of the Judicial Code did not broaden the venue as to corporate defendants in patent infringement actions.

Petitioners agreed with defendant that Section 1400(b) is the exclusive statutory provision controlling venue in patent infringement actions but contended that the word "residence" could not have two different meanings in the same Chapter of Title 28 and that, no ambiguity appearing in the statute itself, no recourse could be had to extraneous matters first to raise an ambiguity and thereafter to decide it.

District Judge Ben Harrison filed an opinion on August 2, 1950. In it he recognized that two other judges of his court had arrived at a different conclusion and nevertheless held for defendant but that the action should be transferred to the District of Delaware rather than dismissed. A copy of said opinion is submitted herewith as Exhibit C. On August 18, 1950, Judge Harrison entered an order of transfer to carry out his opinion and on the same day entered an order staying all proceedings in the action, including its transfer for ten days to permit petitioners to apply to the United States Court of Appeals for the Ninth Circuit for [fol. 4] leave to file a petition for writ of mandamus or prohibition, and, if the application be granted, until determination of the matter by the Court of Appeals for the Ninth Circuit.

B. In the United States Court of Appeals for the Ninth Circuit

The United States Court of Appeals for the Ninth Circuit granted leave to petitioners to file their petition for writ of mandamus, but after oral arguments it filed an opinion on November 20, 1950 denying the petition. A copy of said opinion is submitted herewith as Exhibit D. The grounds of denial were simply that there were no "extraordinary circumstances" to justify the issuance of the writ, and that the error, if any, as to which no view was expressed, would be reviewable on appeal to the United States Court of Appeals for the Third Circuit after final judg-

ment. Judge Harrison's order of transfer was effectuated on December 26, 1950 by the mailing of the original papers comprising the record to the United States District Court for the District of Delaware.

C. In the United States District Court for the District of Delaware

The original papers comprising the record in said action were received and filed in the United States District Court for the District of Delaware on transfer on January 2, 1951. On the following day, January 3, 1951, plaintiffs filed their motion to transfer the action to the United States District Court for the Southern District of California, Central Division, on the ground that the action was first brought there, that venue was properly laid therein, and that the transfer to the District of Delaware had been improper and contrary to law. A copy of said motion is submitted herewith as Exhibit E.

Briefs were filed by the respective parties and the motion was argued on March 19, 1951, before Judge Leahy.

[fol. 5] Opinion and Order of Trial Court

On May 18, 1951, Judge Leahy filed an opinion in said action in which he decided that, "regardless of [his] own view as to whether the California Court was right in its interpretation of § 1391(c) and 1400(b), and, admittedly, there is serious conflict as to the proper interpretation of those sections [he did] not think it meet or proper that [he] review Judge Harrison's decision on the merits", although he found he had the power so to do, and therefore that the motion to transfer should be denied. A copy of said opinion is submitted herewith as Exhibit F. On May 23, 1951, Judge Leahy entered an order denying the motion to transfer for the reasons stated in his opinion. A copy of said order is submitted herewith as Exhibit G.

Basis of Court's Jurisdiction

Jurisdiction is invoked herewith pursuant to Section 1651(a) of Title 28, United States Code, which authorizes this Court to issue all writs necessary or appropriate in aid of its jurisdiction and agreeable to the usages and prin-

ciples of law. See *Paramount Pictures, Inc., et al. v. Rodney, U. S. District Judge, et al.*, 186 F. (2d) 111 (C. A. 3, 1951); cert. denied, — U. S. —, 19 Law Week 3258 (March 26, 1951).

Reasons for Allowance of Writ

This is an appropriate case for the Court to exercise its power to issue all necessary and appropriate writs under Section 1651(a) of Title 28, United States Code, for the following reasons:

(1) The order complained of is interlocutory and is not appealable under Section 1291 or Section 1292, Title 28, United States Code. The matter involved lies outside the issues of the case. There is no final disposition of a claimed right which is not an ingredient of the cause of action and does not require consideration with it.

(2) The Delaware District Court has refused to exercise its authority to decide petitioners' motion to transfer on its merits when it is its duty to do so.

[fol. 6] (3) The refusal of the District Court to decide petitioners' motion to transfer on its merits constitutes an error which will be incorrectable on appeal after final judgment because petitioners will not be able to show that a different result would have been reached had the suit been transferred.

(4) As the order of the California District Court was entered without statutory sanction and authority, in that it was not based on any exercise of discretion or finding as to disputed facts but on an erroneous interpretation of the law, the Delaware District Court is without authority to hear and determine this action over plaintiffs' objections. Even assuming that a final judgment against petitioners might be set aside thereafter on appeal as a nullity, petitioners will have been caused great hardship and to expend great amounts of time, effort, and money all for naught.

(5) Petitioners have been deprived of the rights given to them by the Congress of the United States through Sections 1391(c) and 1400(b) of Title 28, United States Code, to choose the venue of their action from among those thereby made permissible. The error of the decision on the merits by the California District Court, which error was continued

by the Delaware District Court by its refusal to consider petitioners' motion on its merits, is in conflict with two other decisions on the same point in the same Court; is in conflict with a decision of the Delaware District Court; is in conflict with the overwhelming weight of the holdings of the courts which have considered the question; is in conflict with statements made by this Court; and is in conflict with the unanimous views of the text writers.

Wherefore petitioners pray:

A. That a rule be issued directed to The Honorable Paul Leahy, United States District Judge for the District of Delaware, to show cause, if any he has, why a writ of mandamus should not issue, said rule to be returnable as promptly as the situation permits, and that thereafter a writ of mandamus be issued as prayed, directing him [fol. 7] to nullify, vacate, and set aside, the order entered May 23, 1951, in said *Gulf, et al. v. Schlumberger*, denying petitioners' motion to transfer said action to the United States District Court for the Southern District of California, Central Division; and either directing said Honorable Judge thereafter to consider said motion on its merits and to determine thereupon whether said motion should be granted, or, in the alternative and after consideration thereof by this Court, directing him to grant said motion.

2. That petitioners have such other and further relief as may be deemed to be proper and justifiable under all the facts and circumstances.

May 24, 1951.

Thomas Cooch, Morford, Bennethum, Marvel & Cooch, Delaware Trust Building, Wilmington 1, Delaware, Attorneys for Petitioners.

Leonard S. Lyon, Leonard S. Lyon, Jr., Richard E. Lyon, Lyon and Lyon, 811 West Seventh Street, Los Angeles 17, California, of Counsel for Petitioners.

[fol. 8] EXHIBIT A TO PETITION

IN THE UNITED STATES DISTRICT COURT, SOUTHERN DISTRICT OF CALIFORNIA, CENTRAL DIVISION

Civil Action No. 11264-BH

GULF RESEARCH & DEVELOPMENT COMPANY, WELEX JET SERVICES, INC., and BYRON JACKSON CO., Plaintiffs,

v.

SCHLUMBERGER WELL SURVEYING CORPORATION, Defendant

COMPLAINT

Plaintiffs, complaining of defendant, allege:

I

Plaintiff Gulf Research & Development Company is a corporation duly organized and existing under the laws of the State of Delaware, having its principal place of business in Pittsburgh, Pennsylvania.

II

Plaintiff Welex Jet Services, Inc. is a corporation duly organized and existing under the laws of the State of Texas, having its principal place of business in Fort Worth, Texas.

III

Plaintiff Byron Jackson Co. is a corporation duly organized and existing under the laws of the State of Delaware, having its principal place of business in Los Angeles, California.

[fol. 9] IV

Defendant, Schlumberger Well Surveying Corporation, is a corporation duly organized and existing under the laws of the State of Delaware, and is doing business in the Southern District of California, Central Division, and for the purposes of this action is a resident thereof.

V

This is an action by plaintiffs for infringement by defendant of Letters Patent of the United States, and arises under the Patent Laws of the United States.

VI

On January 10, 1950, United States Letters Patent No. 2,494,256 were duly and legally issued to plaintiff Gulf Research & Development Company, assignee of Morris Muskat of Oakmont, Pennsylvania, and Floyd W. Parker and William L. Kehl, both of Penn Township, Allegheny county, Pennsylvania.

VII

Plaintiff Welex Jet Services, Inc. is and since March 19, 1949 has been exclusive licensee with the right to sublicense in respect to and under the inventions of said Letters Patent No. 2,494,256 under said plaintiff Gulf Research & Development Company.

VIII

Plaintiff Byron Jackson Co. is and since March 19, 1949 has been exclusive licensee with the right to sublicense in respect to and under the inventions of said Letters Patent No. 2,494,256 under said plaintiff Welex Jet Services, Inc.

IX

Since the issue of said Letters Patent defendant has been and now is infringing said Letters Patent and intends to continue so to do.

[fol. 10]

X

Defendant has been duly notified of plaintiffs' claim of infringement of said Letters Patent and notwithstanding said notice has refused to respect said Letters Patent.

Wherefore, plaintiffs demand an injunction against further infringement by defendant and those controlled by defendant, an accounting for damages for said infringe-

ment, and an assessment of costs against defendant, including a reasonable attorney's fee.

Gulf Research & Development Company, Welex Jet Services, Inc. and Byron Jackson Co., by (S.) Leonard S. Lyon, Leonard S. Lyon, Jr., Attorneys for Plaintiffs.

[fol. 11] EXHIBIT B TO PETITION

IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF CALIFORNIA, CENTRAL DIVISION

Civil Action No. 11264-BH

GULF RESEARCH & DEVELOPMENT COMPANY, WELEX JET SERVICES, INC., and BYRON JACKSON COMPANY, Plaintiffs,

v.

SCHLUMBERGER WELL SURVEYING CORPORATION, Defendant

MOTION TO DISMISS COMPLAINT UNDER SECTION 1406(a) OF THE UNITED STATES CODE, TITLE 28

Now comes Schlumberger Well Surveying Corporation, Defendant in the above-entitled cause, by its attorneys, appearing specially and only for the purpose of this Motion, and moves this Court, in accordance with Rule 12(b) of the Federal Rules of Civil Procedure, for an order dismissing the complaint in the above-entitled cause because of improper venue.

In support of such Motion, Defendant represents as follows:

1. This is an action for patent infringement and proper venue must be determined by Section 1400(b) of Title 28 of the United States Code.

2. Defendant, being a corporation of the State of Delaware, is a resident of that State and not the State of California within the meaning of Section 1400(b) of the United States Code, Title 28, as appears from the affidavit of Roger Henquet, attached hereto.

3. United States Letters Patent No. 2,494,256, here in suit, describe and claim apparatus wherein shaped explo- [fol. 12] sive charges are used to shoot holes in or to perforate well casings or well walls.

4. Defendant has not used within the State of California shaped explosive charges to shoot holes in or to perforate well casings or well walls, or for any other purpose, as more fully appears in the affidavit of Roger Henquet, attached hereto, and, hence has not committed within the State of California *and* acts capable of being alleged to be an infringement of said United States Letters Patent No. 2,494,256 as required by the alternate ground for venue set forth in Section 1400(b).

Wherefore, Defendant respectfully moves the Court that the complaint herein be dismissed.

This Motion is based upon the following:

The Complaint
The accompanying Affidavit of Roger Henquet
United States Letters Patent No. 2,494,256
Rule 12(b) of the Federal Rules of Civil Procedure
Section 1400(b) and 1406(a) of the United States Code, Title 28
The accompanying memorandum of Defendant and the cases cited therein.

Respectfully submitted, Hill, Morgan & Farrer, by (S.) William M. Farrer, Attorneys for Defendant Appearing Specially.

(S.) Worthington Campbell, Mark N. Donohue, Campbell, Brumbaugh, Free & Graves, of Counsel for Defendant.

[fol. 13] EXHIBIT C TO PETITION

IN THE DISTRICT COURT OF THE UNITED STATES, SOUTHERN DISTRICT OF CALIFORNIA, CENTRAL DIVISION

No. 11264-BH

GULF RESEARCH & DEVELOPMENT COMPANY, WELEX JET SERVICES, INC., and Byron Jackson Company, Plaintiffs,

vs.

SCHLUMBERGER WELL SURVEYING CORPORATION, Defendant

OPINION

In the above entitled patent infringement action the defendant corporation has moved for an order dismissing the complaint because of improper venue, on the ground that the complaint fails to allege acts of infringement in this district as provided under Section 1400(b) Title 28 U.S.C.A. as revised, which reads as follows:

> "Any civil action for patent infringement may be brought in the judicial district where the defendant resides, or where the defendant has committed acts of infringement and has a regular and established place of business."

It is the contention of the plaintiffs that Section 1391(c) of Title 28 U.S.C.A. as revised, changes the rule set forth in Stonite Products Co. v. Melvin Lloyd Co. et al., 315 U. S. 561, and that Section 1400(b) is no longer the exclusive provision controlling venue in patent infringement proceedings. Plaintiffs contend that the general provisions of Section 1391(c) reading as follows:

> "A corporation may be sued in any judicial district in which it is incorporated or licensed to do business [fol. 14] or is doing business, and such judicial district shall be regarded as the residence of such corporation for venue purposes."

are in effect a definition of "residence" for venue purposes, and the use of the word "resides" in Section 1400(b) is controlled by such definition.

The new Federal Judicial Code is nothing more or less than a revision and restatement of existing law. Where any change is made it appears in the Reviser's Notes. (8 F.R.D. 442): "As the title of the bill indicates, the object of the Committee was to revise and codify existing law. • • •" (8 F.R.D. 201).

The Reviser's Notes indicate no change in existing law relative to venue in patent infringement actions. Section 1391 is a consolidation of Section 111 of Title 28 U.S.C.A. with part of Section 112 of the same title and no change in meaning is noted. In fact Section 1391(c) stems directly from the old Section 112 and states nothing more than the prior existing procedure to obtain venue over a foreign corporation. (See citations under Note 217, former Section 112 U.S.C.A.).

In an article written by Wm. W. Barron, Chief Reviser of Title 28 U.S.C.A. reported in 8 F.R.D. 445, it stated:

> "The usual rules of statutory construction, with one exception, apply to statutory revision. That exception is important and its reasons should be readily recognized.
>
> "Because of the necessity of consolidating, simplifying and clarifying numerous component statutory enactments no changes of law or policy will be presumed from changes of language in revision unless an intent to make such changes is clearly expressed.
>
> "Mere changes of phraseology indicate no intent to work a change of meaning but merely an effort to state [fol. 15] in clear and simpler terms the original meaning of the statute revised.
>
> "Congress recognized this rule by including in its reports the complete Reviser's Notes to each section in which are noted all instances where change is intended and the reasons therefor.
>
> "The rule is well settled. Leading cases supporting it are collected in the appendix."

The leading case cited is U. S. v. Ryder, 110 U. S. 729, 740, 4 S. Ct. 196, 201 wherein the rule was stated as follows: "It will not be inferred that the legislature, in revising and consolidating the laws, intended to change their policy, unless

such intention be clearly expressed." (See also 59 C. J. 897).

In the new work on Federal Practice by Barron and Holtzoff at page 135, Volume 1, appears the following language:

> "• • • A special venue statute, i.e., one expressly covering venue of a particular kind of action, will control over a general venue statute, but the general statute will govern if a cause of action is created by a special statute without any special venue provision."

In 25 R.C.L. page 1010 appears the following:

> "It is an old and familiar rule, which is closely related to the doctrine of ejusdem generis and to the rule that where an act contains special provisions they must be read as exceptions to a general provision in a separate earlier or subsequent act, that where there is in the same statute a particular enactment, and also a general one which in its most comprehensive sense would include what is embraced in the former, the particular enactment must be operative, and the general enactment must be taken to affect only such cases within its general language as are not within the provisions of the particular enactment."

[fol. 16] See also 59 C. J. 1056; Atkins v. The Fiber Disintegrating Co., 85 U. S. 272, 21 L. Ed. 841, 844; Ginsberg & Sons v. Popkin, 285 U. S. 204, 208; 50 Am. Jur. 370.

To follow the plaintiffs' argument the court would have to violate the above principles of statutory construction.

Plaintiffs rely heavily upon Moore's Commentary on U. S. Judicial Code and particularly at pages 184 and 185, and Moore's Federal Practice, Vol. III, pp. 2139, 2140, wherein the author considers the case of Stonite Products v. Lloyd, supra, overruled by the gearing of residence under Section 1391(c) to Section 1400(b).

Yet the author as a paid consultant in testifying before Subcommittee No. 1 stated that: "Venue provisions have not been altered by the revision." He then proceeds to point out certain changes applying to patent infringement

cases. (U. S. Code Congressional Service (1948) p. 1969, Title 28 Pamphlet).

To say the least the two statements are inconsistent. Prof. Moore in a letter explaining the inconsistencies states in part: "In brief, my House statement was prepared on short notice and under pressure; my published writings are prepared after careful and extensive deliberation."

But the real question is: Did Congress intend to change the venue provisions in patent infringement cases where the defendant is a corporation? Professor Moore's statement before the Committee tended to establish that the revised section caused no change in existing law. The Committee relied and acted upon his testimony along with the testimony given by others. The hearings before the Committee clearly indicate that no change in venue statutes was cont-mplated by Congress except such changes as were expressly set forth in the Reviser's Notes.

Plaintiffs' contention would make said Section 1400(b) ineffective in so far as a corporation is concerned, when its very wording indicates that a corporation is included. This conclusion is supporated by that portion of the Reviser's [fol. 17] Notes which reads as follows: "Words 'whether a person, partnership, or corporation' before 'has committed' were omitted as surplusage." In the portion of the former Section 109 "whether a person, partnership or corporation" were omitted as surplusage, then the word "defendant" as set forth in Section 1400(b) is all inclusive and includes corporations. It logically follows if plaintiffs' contention is to be accepted, the benefits granted by Section 1400(b) would be denied to corporate defendants.

In the recent case of Ackerman v. Hook, decided June 16, 1950, by the Third Circuit and reported in 86 U.S.P.Q., p. 1, involving the relationship of Section 1392 to Section 1400(b), the court stated:

> "Beyond all doubt, until the adoption of the new Title 28 in 1948, Section 109 was 'the exclusive provision controlling venue in patent infringement proceedings'. Stonite Co. v. Melvin Lloyd Co., 315 U. S. 561, 563 (52 U.S.P.Q. 507, 508). In that decision the Supreme Court expressly rejected the argument that Section 113 supplemented Section 109 because of its

prior enactment and that the sections were complementary. Stonite Co. v. Melvin Lloyd Co., supra, pp. 566, 567 (52 U.S.P.Q. at 509-510). *The Reviser's Notes make it evident that today, 1400(b) stands in the same situation as did Section 109 at the time of the Stonite opinion in 1942 and that the Stonite case is just as much in point now as then.* Therefore, since it did not appear on the motion to dismiss that any of the appellees have 'a regular and established place of business' in the Eastern District of Pennsylvania, the Court of that District had no jurisdiction over them under the controlling Section 1400(b)." (Italics supplied.)

The defendant's position is further supported by the case of Arkay Infants Wear, Inc. v. Kline's, Inc., 85 F. Supp. 98 and Fischer v. Karl, 84 F. Supp. 53.

The contentions of the plaintiffs' present problems are broader than the sections herein involved. Are the courts [fol. 18] going to take the revised Title 28 and treat it as a fresh piece of clay to model to their own liking, or are they going to accept the revised codes as a true revision of existing law that through prior decisions has blazed a trail for them to follow? The increased number of reported cases involving the revised Title 28 indicates the invitation extended to the courts to do their own modeling is at hand, thus opening the flood gates of litigation, thereby destroying the advantages sought by the revision and discouraging like revisions of the other codes.

I believe the Reviser's Notes together with the evidence presented to the Congressional Committee should be the exclusive guide to a proper interpretation and construction of the revised sections. I believe that Congress so intended.

In conformity with my conclusions I hold that Section 1391(c) is not complementary to Section 1400(b); that the word "resides" in Section 1400(b) means the same as the word "inhabitant" in the former Section 109, and that the interpretation placed upon said former Section 109 applies to its revision as set forth in the revised Section 1400(b). I believe the Stonite case is still the law and the fact that the defendant committed no acts of infringement in this district indicates to me that the venue is improper.

I am fully aware that two of my able brethren of this

district have arrived at a different conclusion than I have here expressed. I respect their views but cannot follow them.

In accordance with the provision of Section 1406(a), Title 28, the above entitled action is hereby ordered transferred to the District of Delaware. (Schiller v. Mit-Clip Co., Inc., 180 F. 2d, 654.)

Counsel for defendant is directed to submit to me promptly an order of transfer in accordance with the view herein expressed.

Dated: This 2nd day of August, 1950.

(S.) Ben Harrison, Judge.

[fol. 19] EXHIBIT D TO PETITION

IN THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

No. 12,667

Nov. 20, 1950

GULF RESEARCH & DEVELOPMENT COMPANY, WELEX JET SERVICES, INC., and BYRON JACKSON CO., Petitioners,

vs.

HONORABLE BEN HARRISON, JUDGE, UNITED STATES DISTRICT COURT, SOUTHERN DISTRICT OF CALIFORNIA, CENTRAL DIVISION, Respondent

OPINION

On Petition for Writ of Mandamus

Before Stephens, Bone and Orr, Circuit Judges

ORR, Circuit Judge:

We have for determination a petition for a writ of mandamus to compel the Judge of the District Court for the Southern District of California to withdraw an order of transferral entered in a suit instituted by petitioners seeking damages for alleged patent infringement. In the

suit, jurisdiction being conceded, venue was asserted under 28 U. S. C. A. § 1400 (b),[1] as interpreted in the light of 28 U. S. C. A. § 1391 (c),[2] in Radio Corporation of America v. [fol. 20] Paramount Pictures, Inc., 1940, U. S. D. C. S. D. Cal., No. 8070-WM (not reported), and Farr Co. v. Gratiot, 1950, U. S. D. C. S. D. Cal., 92 F. Supp. 320. This case was ordered transferred, under 28 U. S. C. A. § 1406 (a),[3] to the District Court for the District of Delaware, on the ground that the definition of corporate "residence" in § 1391 (c) is not applicable to § 1400 (b). The order being not appealable,[4] the petitioners assert mandamus to be the sole remedy open to them.

The power of this court to issue mandamus can be exercised to protect its appellate jurisdiction. 28 U. S. C. A. § 1651. Thus, the writ will issue to compel an inferior court to proceed in an action which properly invokes that court's jurisdiction in order to prevent the inferior court, by inaction, from frustrating the legitimate appellate jurisdic-

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[1] "§ 1400 Patents and copyrights. • • •

"(b) Any civil action for patent infringement may be brought in the judicial district where the defendant resides, or where the defendant has committed acts of infringement and has a regular and established place of business."

[2] "§ 1391. Venue generally. • • •

"(c) A corporation may be sued in any judicial district in which it is incorproated or licensed to do business or is doing business, and such judicial district shall be regarded as the residence of such corporation for venue purposes."

[3] "§ 1406. Cure or waiver of defects.

"(a) The district court of a district in which is filed a case laying venue in the wrong division of district shall dismiss, or if it be in the interest of justice, transfer such case to any district or division in which it could have been brought."

[4] Magnetic Engineering & Mfg. Co. v. Dings Mfg. Co., 2 Cir., 1950, 178 F. 2d 866;

cf. Jiffy Lubricator Co. v. Stewart-Warner Corp., 4 Cir. 1949, 177 F. 2d 360.

tion of this court.[5] Similarly, under the practice prior to the disabling legislation of 1875 and 1887, this court would review by mandamus an order of a district court remanding a removed case to a state court, because a remand put an end to all federal jurisdiction.[6]

In a recent case the Second Circuit asserted that the power of a Circuit Court to protect its appellate jurisdiction did not extend "to protecting it as against the jurisdiction of another federal court of equal jurisdiction, (and) that a suitor has (no) legally protected interest in having his action tried in any particular federal court, except in so far as the transfer may handicap his presentation of the case, or add to the costs of trial." Magnetic Engineering [fol. 21] & Mfg. Co. v. Dings Mfg. Co., 2 Cir. 1950, 178 F. 2d 866, 869. We do not hold that a circuit court would under no circumstances have power to review by mandamus an order transferring a case to the district court of another circuit. We are of the opinion that once a suitor has properly invoked federal jurisdiction in this circuit it is within our power, in extraordinary circumstances, to issue mandamus to prevent a grave miscarriage of justice.

Although we conclude that we have jurisdiction to issue the writ, it has been repeatedly held that: "Mandamus, prohibition and injunction against judges are drastic and extraordinary remedies. * * * (T)hey have the unfortunate consequence of making the judge a litigant, obliged to obtain personal counsel or to leave his defense to one of the litigants before him. Those remedies should be resorted to only where appeal is a clearly inadequate remedy. * * * As extraordinary remedies, they are reserved for really extraordinary cases." Ex parte Fahey, 1947, 332 U. S. 258, 259-60. In this case, no extraordinary circumstances have been called to our attention. Petitioner alleges nothing more than an erroneous application of the law. The error, if any, will be reviewable on appeal to the Court of Appeals for the Third Circuit, after final judgment

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[5] Cf. McClellan v. Carland, 1910, 217 U. S. 268.

[6] See the discussion in Magnetic Engineering & Mfg. Co. v. Dings Mfg. Co., supra, note 4.

has been entered.[7] Mandamus cannot be subverted to perform the function of an interlocutory appeal, over which we have no jurisdiction. The inconvenience of proceeding to what may be an unnecessary trial has long been recognized as one of the hardships of litigation in our judicial system, but such hardship does not measure up to the inconveniences which would result if piecemeal appeals were permitted. Accordingly, this inconvenience has consistently been held insufficient to justify mandamus.[8]

[fol. 22] Nor have petitioners shown any peculiar hardship to be suffered as a result of this transfer. The record does not disclose the locality where the alleged infringement took place, but it is conceded that it did not occur in the Southern District of California. Hence, it does not appear that a trial in Delaware would be more expensive or burdensome than a trial in California. We note further that petitioners, being three corporations, two incorporated in Delaware and one in Texas, have their principal places of business in California, Texas and Pennsylvania.

The Second Circuit, in Magnetic Engineering & Mfg. Co. v. Dings Mfg. Co., supra, rejected the contention that review of a transfer order on appeal after final judgment would not be an adequate remedy for the petitioners because prejudice of such transfer could not easily be shown, and that therefore mandamus should issue to prevent such a transfer. The contention is directed toward the desirability of permitting interlocutory appeals generally, but does not justify resort to the extraordinary remedy of mandamus. The remedy of appeal from a final judgment is "inadequate" so as to justify the use of mandamus only when it

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[7] The alleged error is to be distinguished from that involved in Foster-Milburn Co. v. Knight, 2 Cir. 1950, 181 F. 2d 949. The order reviewed in that case purported to transfer the case to a court which would not have jurisdiction over the parties. The error was therefore not merely potentially reversible error on appeal, but would render void any final judgment ultimately obtained, and may be regarded as analogous to a refusal to exercise effectively jurisdiction properly invoked.

[8] Roche v. Evaporated Milk Ass'n., 1943, 319 U. S. 21.

is totally unavailable, or when, because of the particular circumstances, it could not correct extraordinary hardship.

Petitioners have urged that the need for uniformity of interpretation of the Judicial Code within a given district justifies review by way of mandamus. We cannot agree that such a situation justifies resort to this extraordinary remedy. Such a determination may ultimately be required in a review of an order denying a change of venue.

Petition denied.

(Endorsed:) Opinion. Filed Nov. 20, 1950. Paul P. O'Brien, Clerk.

[fol. 23] EXHIBIT E TO PETITION

IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF DELAWARE

Civil Action No. 1342

GULF RESEARCH & DEVELOPMENT COMPANY, WELEX JET SERVICES, INC., and BYRON JACKSON CO., Plaintiffs,

vs.

SCHLUMBERGER WELL SURVEYING CORPORATION, Defendant

MOTION TO TRANSFER CASE

Come now the Plaintiffs, Gulf Research & Development Company, Welex Jet Services, Inc., and Byron Jackson Co., by their attorneys and move this Honorable Court for an order transferring this action to the United States District Court for the Southern District of California, Central Division.

The grounds upon which this motion is based are that the case was first brought in the Southern District of California, Central Division, that venue was properly laid therein, and that the United States District Court for the Southern District of California, Central Division improp-

[fol. 24] erly and contrary to law transferred the case to the District of Delaware.

Respectfully submitted, Thomas Cooch, Morford, Bennethum, Marvel & Cooch, Delaware Trust Building, Wilmington, Delaware, Leonard S. Lyon T C, Leonard S. Lyon, Jr. T C, Richard E. Lyon T C, Lyon & Lyon, 811 West Seventh Street, Los Angeles 17, California, Attorneys for Plaintiffs.

[fol. 25] EXHIBIT F TO PETITION

IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF DELAWARE

Civil Action No. 1342

GULF RESEARCH & DEVELOPMENT COMPANY, WELEX JET SERVICES, INC., and BYRON JACKSON CO., Plaintiffs,

v.

SCHLUMBERGER WELL SURVEYING CORPORATION, Defendant

OPINION

Thomas Cooch (of Morford, Bennethum, Marvel & Cooch), of Wilmington, Del., Leonard S. Lyon, Leonard S. Lyon, Jr., and Richard E. Lyon (of Lyon & Lyon), of Los Angeles, California, for plaintiffs.

E. Ennalls Berl (of Southerland, Berl & Potter), of Wilmington, Del., Worthington Campbell and Mark N. Donohue (of Campbell, Brumbaugh, Free & Graves), of New York, N. Y., for defendant.

LEAHY, Chief Judge:

On March 20, 1950, plaintiffs brought suit against defendant for patent infringement in the United States District Court for the Southern District of California, Central Division. Service was made on defendant in Los Angeles on March 22, 1950. The complaint alleged plaintiffs' ownership of and right to sue under its patents, alleged defendant

Schlumberger to be a Delaware corporation doing business in the Southern District of California, Central Division, alleged that for the purpose of the case, Schlumberger was a resident of said District, and alleged infringement generally by Schlumberger. On April 10, 1950, Schlumberger filed a motion under § 1406 (a) of Title 28, U. S. C., to dismiss the complaint for want of proper venue on the ground [fol. 26] the complaint failed to allege acts of infringement in the California District as provided under § 1400 (b). Judge Harrison, after hearing and argument, denied the motion to dismiss but ordered the case transferred here to the Delaware court.[1] Plaintiffs' argument before Judge Harrison was that § 1400 (b)[2] must be read in the light of §1391 (c) of Title 28 U. S. C.[3] and that § 1391 (c) broadens the meaning of § 1400 (b) in that the definition of the former section applies to the latter. Judge Harrison held that § 1391 (c) is not complementary to § 1400 (b); that the word "resides" in § 1400 (b) means the same as the word "inhabitant" in the former § 109, and that the interpretation placed upon the former § 109 applies to its revision as set forth in the revised § 1400 (b). He considered the case of Stonite Products Co. v. Melvin Lloyd Co., 315 U. S. 561, 62 S. Ct. 780, 86 L. Ed. 1026,[4] as still the law and concluded

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[1] Gulf Research & Development Company, et al. v. Schlumberger Well Surveying Corporation, D. C. S. D. Cal., 92 F. Supp. 16, 10 F. R. D. 353.

[2] "§ 1400 • • •

"(b) Any civil action for patent infringement may be brought in the judicial district where the defendant resides, or where the defendant has committed acts of infringement and has a regular and established place of business."

[3] "§ 1391 • • •

"(c) A corporation may be sued in any judicial district in which it is incorporated or licensed to do business or is doing business, and such judicial district shall be regarded as the residence of such corporation for venue purposes."

[4] Judge Harrison quoted from the recent case of Ackerman v. Hook, 3 Cir., 183 F. 2d 11, 14, involving the relationship of § 1392 to § 1400 (b), where Judge McLaughlin said:

"the fact that the defendant committed no acts of infringement in this district indicates to me that the venue is improper." [5]

[fol. 27] After Judge Harrison's order transferring the litigation to this court, plaintiffs applied to the Court of Appeals for the Ninth Circuit for leave to file a Petition for Writ of Mandamus or Prohibition. That Court granted leave to file the petition and issued its order directed to Judge Harrison to show cause why the requested writ should not issue. After oral argument in the matter, the Court of Appeals filed its opinion denying plaintiffs' petition.[6] The grounds of denial were simply that the case was not such a critical one as to justify issuance of the extraordinary writ sought. No consideration was given to the merits of the venue question inherent in the case.

Immediately after the papers in this action were sent to and received in this court, plaintiffs moved to retransfer the case back to the California District Court on the grounds

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"Beyond all doubt, until the adoption of the new Title 28 in 1948, Section 109 was 'the exclusive provision controlling venue in patent infringement proceedings'. Stonite Products Co. v. Melvin Lloyd Co., 315 U. S. 561, 62 S. Ct. 780, 781, 86 L. Ed. 1026. In that decision the Supreme Court expressly rejected the argument that Section 113 supplemented Section 109 because of its prior enactment and that the sections were complementary [citing the Stonite case]. The Reviser's Notes make it evident that today, 1400(b) stands in the same situation as did Section 109 at the time of the Stonite opinion in 1942 and that the Stonite case is just as much in point now as then."

[5] Gulf Research & Development Co., et al. v. Schlumberger Well Surveying Corporation, 92 F. Supp. 16, 19. The order to transfer was not based on any showing of *forum non conveniens*. It may be noted also that the present motion does not involve any consideration of the *forum non conveniens* doctrine. Cf. Aircraft Marine Products Inc. v. Burndy Engineering Company, D. C. S. D. Cal. Cent. Div., — F. Supp —, 89 U S. P. Q. 45.

[6] Gulf Research & Development Co., et al. v. Harrison, 9 Cir., 185 F. 2d 457.

the venue was properly laid where the action was originally brought and the case was transferred to this court improperly and contrary to law. This is the motion presently for disposition.

1. The initial question presented for decision by plaintiffs' motion is: Is this court empowered to retransfer this case to the Southern District of California? Defendant argues that to retransfer this case, I must first conclude Judge Harrison was in error in his disposition on the merits of the question of venue and that in the act of considering Judge Harrison's decision I would be performing the function of an appellate court, not of a nisi prius judge. Defendant further argues Judge Harrison's holding that venue was improperly laid in California was a clear adjudication of the merits and that his opinion is now the "law of this case", which may only be reviewed on the appellate level.

The law of the case rule is not advanced by defendant as a rule of law limiting the power of this court, but rather as a rule of comity. The doctrine, as the Supreme Court has [fol. 28] pointed out, "merely expresses the practice of courts generally to refuse to reopen what has been decided, not a limit to their power." Messinger v. Anderson, 225 U. S. 436, 444, 32 S. Ct. 739, 56 L. Ed. 1152. It is a salutary doctrine "in the interest of economy of effort and of narrowing down the issues in successive stages of litigation." White v. Higgins, 1 Cir., 116 F. 2d 312, 317. Plaintiffs may be correct when they assert the doctrine usually only applies to effectuate consistent decisions "in the same court on the same point in the same case." Commercial Union of America, Inc. v. Anglo-South American Bank, Ltd., 2 Cir., 10 F. 2d 937, 941. However, there is respectable authority which appears squarely in point and upholds the defendant's contention here that Judge Harrison's decision on venue should be regarded by me as conclusive. These are the cases of Haesen v. United States, et al., D.C. E.D. N.Y., 66 F. Supp. 759, and Sbarbaro v. United States, et al., D.C. E.D. Pa., 86 F. Supp. 477. Without deciding specifically the instant situation falls within the traditional scope of

the doctrine of the law of the case,[7] I think that the same considerations which gave rise to that doctrine are applicable here. I conclude that though I may have the independent power to review Judge Harrison's determination in order to retransfer the case to California, I should not reexamine the question of venue which Judge Harrison decided under the particular circumstances of the case at bar.

Regardless of my own view as to whether the California Court was right in its interpretation of §§ 1391 (c) and 1400 (b), and, admittedly, there is serious conflict as to the [fol. 29] proper interpretation of those sections,[8] I do not

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[7] See, however, James Wm. Moore, *Commentary on the United States Judicial Code* (1949), pp. 210-211:

"The denial of a motion to transfer constitutes the law of the case so that the matter should not be reopened except on a showing of subsequently developed facts or other circumstances warranting a departure from the settled ruling. Likewise if the motion to transfer is granted and the case is transferred to another district, this latter district should accept the ruling as the law of the case for it, and there should be no further transfer except under the most impelling and unusual circumstances."

[8] The following cases and authorities cited by plaintiffs support their position that § 1400 (b) has been enlarged by § 1391 (c) in patent venue cases: Radio Corporation of America v. Paramount Pictures, Inc., et al., D. C. S. D. Cal., Civil Action No. 8070—WM, 1950; Farr v. Gratiot, et al., D.C. S.D. Cal., 92 F. Supp. 320; Dalton v. Shakespeare Co., D.C. S.D. Fla., No. 1884—Civil Tampa; James Wm. Moore, *Moore's Commentary on the U. S. Judicial Code* (1949), 178, 192-194; Edward L. Barrett, Jr., "The Federal Judicial Code of 1948," XXIII *Journal of the State Bar of California*, p. 324; Barron and Holtzoff, *I Federal Practice and Procedure* (1950), § 80, pp. 153, 154; Schoen v. Mountain Producers Corporation, 3 Cir., 170 F. 2d 707 at p. 713, footnote 10; Lipp et al. v. National Screen Service Corp., D.C. E.D. Pa., 95 F. Supp. 66.

The cases and authorities relied upon by the defendant

think it meet or proper that I review Judge Harrison's decision on the merits.[9] To do so would be a usurpation of an appellate function; and on at least one other occasion I have refused to so act.[10] Though counsel for plaintiffs and defendant have addressed themselves both in their briefs and oral argument to the merits of Judge Harrison's holding on the venue question, all of the contentions on the merits were before Judge Harrison. It is now for an appellate court—not for me—to correct any error, if error there be, in his opinion. It is not only the principle of comity and the fact that Judge Harrison's opinion may be likened, at this stage, to the "law of this case" which compels me to this conclusion, but, what seems of most importance to me are considerations for the orderly functioning of the judicial process. If I should grant plaintiffs' motion and say, in effect, to Judge Harrison, "you were wrong [fol. 30] in transferring this case to Delaware," I do not think he, in turn, would be any more bound to take and try

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in support of its counter-position are: Gulf Research & Development Co., et al. v. Schlumberger Well Surveying Corporation, D.C. S.D. Cal., 92 F. Supp. 16; Nachtman v. Jones & Laughlin Steel Corp., D.C. D. of C., 90 F. Supp. 739; Stonite Products Co. v. Melvin Lloyd Co., 315 U. S. 561, 86 L. Ed. 1026, 62 S. C. 780; James Wm. Moore, Statement to House Judiciary Committee, Subcommittee No. 1, U. S. Code Congressional Service (1948), p. 1969, Title 28 Pamphlet; Ackerman v. Hook, 3 Cir., 183 F. 2d 11.

[9] I am cognizant of the argument made by plaintiffs' counsel that plaintiffs are not here "merely seeking a review" of Judge Harrison's holding. Counsel argues that this case is not properly before this court because proper venue is in the Southern District of California and this case was transferred by Judge Harrison without statutory sanction and authority. But, in order to decide whether Judge Harrison exceeded his power, as plaintiffs argue, I would have to subject his action to my scrutiny which is, in essence, the same thing I would do if I were sitting as an appellate judge reviewing his decision.

[10] In re Triton Chemical Corporation, D. C. Del., 46 F. Supp. 326, 328, n. 3.

the case on the merits, thereby respecting my views, than I had shown myself to be in ignoring his considered judgment. If both Judge Harrison and I were obdurate in our positions, this case could conceivably shuttle back and forth interminably between California and Delaware. Such an eventuality should be avoided.

An order may be submitted denying the present motion to retransfer the cause to California.

Dated: May 18, 1951.

[fol. 31] EXHIBIT G TO PETITION

IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF DELAWARE

Civil Action No. 1342

GULF RESEARCH & DEVELOPMENT COMPANY, WELEX JET SERVICES, INC., and BYRON JACKSON CO., Plaintiffs,

v.

SCHLUMBERGER WELL SURVEYING CORPORATION, Defendant

ORDER

And Now to-wit this 23rd day of May, 1951, the matter above-captioned having come on to be heard on plaintiffs' motion for an order transferring this action to the United States District Court for the Southern District of California, Central Division; the arguments of counsel having been heard and the briefs of counsel having been read; and the Court having filed herein on May 18, 1951, an opinion; it is, for the reasons stated in said opinion,

Ordered, Adjudged and Decreed that said motion be, and the same hereby is, denied.

(S.) Paul Leahy, United States District Judge.

Approved as to form: (S.) Thomas Cooch, Attorney for Plaintiffs; (S.) E. Ennalls Berl, Attorney for Defendant.

[fol. 32] [File endorsement omitted]

UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

No. 10,488

GULF RESEARCH & DEVELOPMENT COMPANY, WELEX JET SERVICES, INC., and Byron Jackson Co., Petitioners,

v.

THE HONORABLE PAUL LEAHY, United States District Judge, Respondent

ORDER TO SHOW CAUSE—June 7, 1951

Present: Goodrich and Kalodner, Circuit Judges, and Marsh, District Judge

And now, to wit, this 7th day of June, 1951, upon consideration of the petition of Gulf Research & Development Company, Welex Jet Services, Inc. and Byron Jackson Co. praying that a rule issue against the Honorable Paul Leahy, Chief Judge of the United States District Court for the District of Delaware, directing him to nullify, vacate, and set aside an order entered by him on the 23rd day of May, 1951, in Civil Action No. 1342 in the United States District Court for the District of Delaware, denying a motion of petitioners for an order transferring said action to the United States District Court for the Southern District of California, Central Division, and for other relief, having been considered by the court,

[fol. 33] It is ordered that the Honorable Paul Leahy, Chief Judge of the United States District Court for the District of Delaware show cause why a writ of mandamus should not issue as prayed for; and

It is further ordered that the respondent file his answer to the petition on or before July 30, 1951; that the petitioners file their brief on or before August 30, 1951; that the respondent file his brief on or before September 30, 1951 and that the matter be set down for oral argument in October, 1951.

It is further ordered that the copies of the petition and supporting brief and a certified copy of this order be served

by the petitioners upon respondent by mail within five days after the entry of this order.

By the Court, Herbert F. Goodrich, Circuit Judge.

[fol. 34] [File endorsement omitted]

IN THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

[Title omitted]

ANSWER OF RESPONDENT—Filed July 6, 1951

To the Honorable, the Judges of the United States Court of Appeals for the Third Circuit:

I, Paul Leahy, Chief Judge of the District Court of the United States for the District of Delaware, in obedience to the rule herein issued out of this Court on June 7, 1951, directing me to show cause why a Writ of Mandamus should not be issued as prayed for in the petition of Gulf Research & Development Company, Welex Jet Services, Inc. and Byron Jackson Co., do hereby make the following return to this Honorable Court:

1. I admit the allegations of the first paragraph of said petition (page 1) except that I deny that said paragraph fully and accurately summarizes my disposition of petitioner's motion in the action entitled *Gulf Research & Development Company, Welex Jet Services, Inc. and Byron Jackson Co. v. Schlumberger Well Surveying Corporation,* [fol. 35] Civil Action No. 1342 in the United States District Court for the District of Delaware seeking an order transferring said action to the United States District Court for the Southern District of California, Central Division, and refer to said motion, to my opinion dated May 18, 1951, and to my order entered on May 23, 1951 in said action (Exhibits E, F and G to the petition) for my disposition of said motion and my reasons therefor;

2. Answering the allegations appearing in the petition (page 2 thereof) under the heading "Nature of the Suit and Proceedings", I admit the allegations appearing in the first

paragraph under said heading but deny that the allegations appearing in the remaining paragraphs under said heading fully summarize the allegations of the complaint (Exhibit A to the petition) and I refer to said complaint for the substance of the allegations thereof;

3. Answering the allegations appearing in the petition (pages 3 and 4 thereof) under the heading "Proceedings Following the Filing of the Complaint" and the sub-heading "A. In the United States District Court for the Southern District of California, Central Division", I deny that said allegations fully summarize the proceedings in said action in the United States District Court for the Southern District of California, Central Division, and I refer to the complaint in said action, to defendant's motion to dismiss complaint under Section 1406(a) of the United States Code, Title 28, to the opinion of Judge Harrison (Exhibits A, B and C to the petition) and to the order entered by Judge Harrison on August 18, 1950 (Exhibit 1 attached hereto) for the nature of the proceedings following the filing of the complaint in said District Court of the United States for the Southern District of California, Central Division;

[fol. 36] 4. Answering the allegations appearing in the petition (page 4 thereof) under the sub-heading "B. In the United States Court of Appeals for the Ninth Circuit" I admit that what purports to be a copy of an opinion of the United States Court of Appeals for the Ninth Circuit, dated November 20, 1950, on a petition for Writ of Mandamus in a proceeding entitled *Gulf Research & Development Company, Welex Jet Services, Inc., and Byron Jackson Co.* v. *Honorable Ben Harrison, Judge, United States District Court for the Southern District of California, Central Division,* No. 12667 in said United States Court of Appeals, is attached to the petition as Exhibit D; I admit that Judge Harrison's order of transfer (Exhibit 1 attached hereto) was effectuated on December 26, 1950 by the mailing of papers comprising the record in said action entitled Gulf et al. v. Schlumberger to the United States District Court for the District of Delaware; but as to the remaining allegations appearing in said petition under said sub-heading, I state I am without knowledge or information sufficient to form a belief inasmuch as the files forwarded to me do not

contain the proceeding had in the United States Court of Appeals for the Ninth Circuit.

5. I admit the allegations appearing in the petition (page 4 thereof) under the sub-heading "C. In the United States District Court for the District of Delaware";

6. Answering the allegations appearing in the petition (page 5 thereof) under the heading "Opinion and Order of the Trial Court" I admit that on May 18, 1951 I filed an opinion (Exhibit F to petition) in said action; I admit that on May 23, 1951 I entered an order (Exhibit G to petition) [fol. 37] in said action denying said motion for reasons stated in said opinion; but I deny that the first sentence in said paragraph accurately and fully summarizes what I decided in said opinion and refer to said opinion (Exhibit F to petition) and to said order (Exhibit G to petition) for what was decided;

7. I admit the allegations appearing in said petition at page 5 thereof under the heading "Basis of Court's Jurisdiction";

8. Answering the allegations appearing in the petition (pages 5 and 6 thereof) under the heading "Reasons for Allowance of Writ" I admit the allegations contained in sub-paragraph 1 thereof; I deny the allegations contained in sub-paragraphs 2, 3, 4 and 5 thereof, and am content to await the action of this Honorable Court regarding the issuance of a Writ of Mandamus herein.

9. I hereby appoint E. Ennalls Berl, Worthington Campbell and Mark N. Donohue as my attorneys.

(S.) Paul Leahy, Chief Judge of the District Court
For the District of Delaware.

[fol. 38] EXHIBIT 1 TO ANSWER

Hill, Morgan & Farrer
William M. Farrer
411 West Fifth Street
Los Angeles 13, California

TRinity 0918

Attorneys for Defendant

IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF CALIFORNIA, CENTRAL DIVISION

Civil Action No. 11264-BH

GULF RESEARCH & DEVELOPMENT COMPANY, WELEX JET SERVICES, INC., and Byron Jackson Company, Plaintiffs,

vs.

SCHLUMBERGER WELL SURVEYING CORPORATION, Defendant

ORDER OF TRANSFER

The defendant's motion in the above cause came on to be heard for an order dismissing the complaint for improper venue, and upon consideration of the arguments and briefs of counsel for the parties, and pursuant to the opinion of the Court rendered herein on the 2nd day of August, 1950.

It is ordered

1) That the venue of this civil action for patent infringement is improperly laid in this district.

2) That in the interest of justice and pursuant to the provisions of United States Code, Title 28, Section 1406(a), this action shall be and the same hereby is transferred from [fol. 39] the United States District Court for the Southern District of California, Central Division, to the United States District Court for the District of Delaware, of which District the defendant corporation is a resident, and that all papers in said action, or certified copies thereof, be transmitted forthwith by the clerk of this court under the

seal of this court to the said United States District Court for the District of Delaware.

Dated: August 18, 1950.

(S.) Ben Harrison, United States District Judge.

[fol. 40] [File endorsement omitted]

IN THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

[Title omitted]

STIPULATION RE INTERVENTION

Schlumberger Well Surveying Corporation, having served its Notice of Motion returnable July 30, 1951, for leave to intervene herein, and having attached a copy of its proposed Answer, it is

Stipulated and Agreed between counsel for the respective parties that said application for intervention be granted and that an order to that effect may be presented for signature forthwith without further notice.

(S.) Thomas Cooch, Attorney for Petitioners; (SL.) E. Ennalls Berl, Attorney for Respondent; (S.) E. Ennalls Berl, Attorney for Intervenor.

[fol. 41] [File endorsement omitted]

IN THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

[Title omitted]

NOTICE OF MOTION FOR LEAVE TO INTERVENE—July 20, 1951

To: Thomas Cooch, Esq.
Morford, Bennethum, Marvel & Cooch
Delaware Trust Building
Wilmington 1, Delaware

Sir:

Please take notice that on the 30th day of July 1951, at 10:00 A.M., or as soon thereafter as counsel can be heard, the undersigned will present the within motion to the United States Court of Appeals for the Third Circuit, or to one of the Judges thereof, at the Court House at Ninth and Chestnut Streets, Philadelphia, Pennsylvania.

(S.) E. Ennalls Berl, Delaware Trust Building, Wilmington, Delaware, Attorney for Intervenor.

[fol. 42] IN THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

[Title omitted]

MOTION TO INTERVENE

And now, to-wit, this 30th day of July, A. D. 1951, Schlumberger Well Surveying Corporation, defendant in Civil Action No. 1342, pending in the District Court of the United States for the District of Delaware, which action forms the subject matter of the petition herein, applies to this Honorable Court, by its attorneys, E. Ennalls Berl, Worthington Campbell and Mark N. Donohue, for leave to intervene in these proceedings for the purpose of filing its answer herein, a copy of which is attached hereto as Exhibit A, and filing briefs and participating in the oral argument.

The grounds for this motion are as follows:

1. The applicant will be bound by a judgment in this action and the representation of applicant's interests by respondent herein may be inadequate.

2. Inasmuch as the applicant's proposed answer is sub-
[fol.43] stantially the same as the answer already filed by respondent, applicant's defense raises questions of law which are identical to those raised by the answer of respondent.

3. Intervention by the applicant will not unduly delay or prejudice the adjudication of the rights of the original parties.

(S.) E. Ennalls Berl, 948 Delaware Trust Building, Wilmington, Delaware; (S.) Worthington Campbell, (S.) Mark N. Donohue, 90 Broad Street, New York, N. Y.

[fol. 44] EXHIBIT "A" TO MOTION

IN THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

No. 10,488

In the Matter of the Petition of GULF RESEARCH & DEVELOPMENT COMPANY WELEX JET SERVICES, INC., and BYRON JACKSON CO., Petitioners,

For a Writ of Mandamus

against

THE HONORABLE PAUL LEAHY, Chief Judge of the District Court of the United States for the District of Delaware, Respondent

ANSWER OF INTERVENOR

To the Honorable, the Judges of the United States Court of Appeals for the Third Circuit:

Schlumberger Well Surveying Corporation, intervenor, answers the petition herein as follows:

1. Intervenor admits the allegations of the first paragraph of said petition (page 1) except that intervenor de-

nies that said paragraph fully and accurately summarizes respondent's disposition of petitioner's motion in the action entitled *Gulf Research & Development Company, Welex Jet Services, Inc., and Byron Jackson Co.* v. *Schlumberger Well Surveying Corporation,* Civil Action No. 1342, in the United States District Court for the District of Delaware, seeking an order transferring said action to the United States District Court for the Southern District of California, Central Division, and refers to said motion, to respond-
[fol. 45] ent's opinion dated May 18, 1951, and to the order entered by respondent on May 23, 1951, in said action (Exhibits E, F and G to the petition) for respondent's disposition of said motion and his reasons therefor;

2. Intervenor, answering the allegations appearing in the petition (page 2 thereof) under the heading "Nature of the Suit and Proceedings", admits the allegations appearing in the first paragraph under said heading, but denies that the allegations appearing in the remaining paragraphs under said heading fully summarize the allegations of the complaint (Exhibit A to the petition) and refers to said complaint for the substance of the allegations thereof;

3. Intervenor, answering the allegations appearing in the petition (pages 3 and 4 thereof) under the heading "proceedings Following the Filing of the Complaint" and the sub-heading "A. In the United States District Court for the Southern District of California, Central Division", denies that said allegations fully summarize the proceedings in said action in the United States District Court for the Southern District of California, Central Division, and refers to the complaint in said action, to defendant's motion to dismiss the complaint under Section 1406(a) of the United States Code, Title 28, to the opinion of Judge Harrison (Exhibits A, B and C to the petition) and to the order entered by Judge Harrison on August 18, 1950 (Exhibit 1 attached respondent's answer) for the nature of the proceedings following the filing of the complaint in said District Court of the United States for the Southern District of California, Central Division.

[fol. 46] 4. Intervenor, answering the allegations appearing in the petition (page 4 thereof) under the sub-heading "B. In the United States Court of Appeals for the Ninth

Circuit", admits that the United States Court of Appeals for the Ninth Circuit granted leave to petitioners to file their petition in that Court for a Writ of Mandamus; admits that after oral argument said United States Court of Appeals for the Ninth Circuit filed an opinion denying the petition; admits that Judge Harrison's Order of Transfer was effectuated on December 26, 1950, by the mailing of the original papers comprising the record in said action to the District Court of the United States for the District of Delaware; but denies that the allegations contained in said paragraph of the petition to this Court fully and accurately summarize the grounds of the denial of the petition to the United States Court of Appeals for the Ninth Circuit, and refers to the opinion of said Court of Appeals (Exhibit D to petition) for said grounds;

5. Intervenor admits the allegations appearing in the petition (page 4 thereof) under the sub-heading "C. In the United States District Court for the District of Delaware";

6. Intervenor, answering the allegations appearing in the petition (page 5 thereof) under the heading "Opinion and Order of the Trial Court", admits that on May 18, 1951, respondent filed an opinion (Exhibit F to petition) in said action; admits that on May 23, 1951, respondent entered an order (Exhibit G to petition) in said action denying [fol. 47] said motion for reasons stated in said opinion; but denies that the first sentence in said paragraph accurately and fully summarizes what respondent decided in said opinion and refers to said opinion (Exhibit F to petition) and said order (Exhibit G to petition) for what was decided;

7. Intervenor admits the allegations appearing in said petition at page 5 thereof under the heading "Basis of Court's Jurisdiction";

8. Intervenor, answering the allegations appearing in the petition (pages 5 and 6 thereof) under the heading "Reasons for Allowance of Writ", admits that this Court under the provisions of Section 1561(a) of Title 28, United States Code, has the power to issue all writs necessary or appropriate in aid of its jurisdiction and agreeable to the usages and principles of law, but denies that this is an ap-

propriate case for this Court to exercise its power to issue the writ of mandamus prayed for by the petitioners; admits the allegations contained in sub-paragraph 1 under said heading; and denies the allegations contained in sub-paragraphs 2, 3, 4 and 5 under said heading.

Having fully answered the petition herein, intervenor prays that the writ be denied and the petition herein be dismissed.

(S.) E. Ennalls Berl, 948 Delaware Trust Building, Wilmington, Delaware. (S.) Worthington Campbell, Mark N. Donohue, 90 Broad Street, New York, New York, Attorneys for Schlumberger Well Surveying Corporation.

[fols. 48-52] [File endorsement omitted]

UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

[Title omitted]

ORDER GRANTING MOTION TO INTERVENE—July 30, 1951

Upon consideration of the motion by Schlumberger Well Surveying Corporation for leave to intervene, to file an answer, to file briefs and to participate in the oral argument, and of the stipulation by counsel for the petitioner and counsel for the respondent and the intervenor that an order granting the intervention may be entered without further notice,

It is Ordered that the motion be, and it is hereby granted.

William H. Hastie, Circuit Judge.

July 30, 1951.

[fol. 53] UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

[Title omitted]

STIPULATION AND ORDER RE FILING BRIEFS—August 23, 1951

It is hereby stipulated by and between the parties by their respective attorneys, subject to the approval of the Court or a Judge thereof, that the time within which petitioners shall file their brief shall be extended to include September 30, 1951; that the time within which respondent shall file his brief and the intervenor shall file its brief shall be extended to include October 30, 1951; and that the matter shall be set down for oral argument in November, 1951.

Thomas Cooch, Attorney for Petitioners. E. Ennalls Berl, Attorney for Respondent and Intervenor.

August 20, 1951.

ORDER

And now to-wit this 23d day of August, 1951, the foregoing stipulation is approved and the matters agreed to therein are hereby ordered.

Maris, United States Circuit Judge.

[fol. 54] [File endorsement omitted]

IN THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

[Title omitted]

APPENDIX TO BRIEF SUBMITTED ON BEHALF OF RESPONDENT AND INTERVENOR—Filed October 27, 1951

E. Ennalls Berl, Delaware Trust Building, Wilmington 1, Delaware; Worthington Campbell, Mark N. Donohue, 90 Broad Street, New York 4, New York, Attorneys for Respondent and Intervenor.

[fol. 55] UNITED STATES DISTRICT COURT, SOUTHERN DISTRICT OF FLORIDA, TAMPA DIVISION

Case No. 1884. Civil. Tampa

Filed June 28, 1951, Tampa, Fla.

Edwin R. Williams, Clerk. C. O. B.—10—984

PHILIP P. DALTON, Plaintiff,

vs.

SHAKESPEARE COMPANY, a Corporation, Defendant

ORDER

This cause came on for hearing on the 15th day of June, 1951, on Defendant's Petition for the Court to reconsider its order entered in this cause on the 23rd day of October, 1950, and the Court having heard argument of counsel for the respective parties, and finding that its original order on defendant's Motion to Dismiss, entered herein on the 15th day of June, 1950, was correct, and further finding that the Plaintiff has not obtained jurisdiction in this Court over the Defendant for the purpose of asserting a cause of action for patent infringement, and being otherwise advised in the premises, it is hereby,

Ordered and Adjudged that the Amended Complaint be and the same is hereby dismissed without prejudice for the Plaintiff to file a suit for patent infringement in the proper jurisdiction, and with leave unto the Plaintiff to file a re-amended complaint in this Court, leaving out all references to a cause of action for patent infringement, within twenty [fol. 56] days from the date hereof, and with leave unto the Defendant to file defensive pleadings as it may be advised within twenty days after service upon its counsel of copy of said re-amended complaint.

It is further ordered and adjudged that the ruling upon the motion of the Defendant to quash the writ of service of process herein, so far as an action based upon unfair competition is concerned, be and the same is hereby reserved pending the filing of said re-amended complaint, and any motion addressed thereto by the Defendant.

Done and ordered at Tampa, Florida, this 28 day of June, 1951.

(S.) George W. Whitehurst, United States District Judge.

[fol. 57] UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

No. 10,488

GULF RESEARCH & DEVELOPMENT COMPANY, WELEX JET SERVICES, INC., and Byron Jackson Co., Petitioners,

vs.

THE HONORABLE PAUL LEAHY, United States District Judge, Respondent,

and

SCHLUMBERGER WELL SURVEYING CORPORATION, Intervenor

PETITION FOR WRIT OF MANDAMUS

Argued November 13, 1951

Before Maris, Kalodner and Staley, Circuit Judges

OPINION OF THE COURT—Filed December 13, 1951

By MARIS, Circuit Judge:

This is a petition for a writ of mandamus to the Chief Judge of the United States District Court for the District of Delaware as respondent directing him to vacate and set aside a certain order entered by him in an action entitled Gulf Research & Development Company, Welex Jet Services, Inc. and Byron Jackson Co. v. Schlumberger Well Surveying Corporation, Civil Action No. 1342 in that court. [fol. 58] Gulf et al. v. Schlumberger is an ordinary civil action for patent infringement in which the petitioners here are plaintiffs and Schlumberger Well Surveying Corporation, the intervenor here, is the defendant. The complaint was originally filed in the United States District Court for

the Southern District of California. The action was transferred to the District of Delaware by order of the Southern California District Court. The transfer order was entered pursuant to Sec. 1406(a) of Title 28, U.S.C., on the motion of the defendant attacking venue in the Southern California District Court. Upon arrival of the files in the case in the Delaware District Court, plaintiffs moved to retransfer the case back to the Southern California District Court on the grounds that venue in the Southern District of California was proper and the transfer to the District of Delaware was improper and contrary to law. The present petition is directed to respondent's order denying this motion.

Venue is the only issue so far litigated in this action. It was first raised when defendant filed its motion, under the provisions of Sec. 1406(a), to dismiss the complaint on the ground that the venue as laid in the Southern District of California was improper. This motion was based on the contention that the venue in patent actions is controlled exclusively by Sec. 1400(b) of Title 28, U.S.C., which requires that a patent infringement case be brought either in the district of the residence of the defendant, or in the district where the defendant has committed acts of infringement and has a regular and established place of business. In support of the motion the defendant contended that as a corporation of the State of Delaware it is a resident only of the District of Delaware within the meaning of the venue statute, that while it was doing business in the Southern District of California it had not committed acts of infringement in that district, and that accordingly the Southern District of California satisfied neither of the alternative [fol. 59] requirements for venue in patent infringement cases which are specified in Sec. 1400(b).

Plaintiffs contested the motion attacking venue in the Southern California District Court. They urged that Sec. 1400(b) must be construed in the light of the definition of corporate residence contained in Sec. 1391(c) of Title 28, U.S.C., to permit a patent infringement suit against a corporate defendant (as distinguished from an individual or partnership defendant) in any district in which such defendant is doing business even though it has not committed acts of infringement there.

The Southern California District Court held that de-

fendant's position on the venue issue and on the interpretation to be accorded Sec. 1400(b) was correct. Instead of dismissing the complaint, however, it directed that, in the interests of justice and pursuant to Sec. 1406(a), the case be transferred to the District of Delaware, the district in which intervenor was incorporated. 92 F. Supp. 16, 10 F.R.D. 353. The decision, which was entered by District Judge Harrison, was in direct conflict with a decision of the same court entered a few days earlier by District Judge Hall in Farr Co. v. Gratiot, 1950, 92 F. Supp. 320.

Before the transfer order was executed, plaintiffs applied to and obtained leave of the Court of Appeals for the Ninth Circuit to file a petition for a writ of mandamus or prohibition directing Judge Harrison to vacate and set aside the transfer order on the ground that his ruling on venue was in error. This petition was denied, after argument, by the Court of Appeals for the Ninth Circuit. That Court pointed out that mandamus is an extraordinary remedy reserved for really extraordinary cases and that in the petition before it no extraordinary circumstances had been called to the Court's attention. It held that the petitioners alleged nothing more than an erroneous application of the law which would be reviewable on appeal to the Court of Appeals for the Third Circuit after final judgment, hence the case was not an appropriate one for the extraordinary [fol. 60] remedy of mandamus. Gulf Research & Development Co. v. Harrison, 1950, 185 F. 2d 457.

In due course the action was transferred to the Delaware District Court and was docketed in that court. Thereupon the plaintiffs moved to retransfer the case back to Southern California on the grounds that venue was properly laid in that district and that Judge Harrison's ruling on the venue issue was erroneous. The motion was denied by Chief Judge Leahy who held that while he had the power to review Judge Harrison's determination of the venue issue, the considerations which give rise to the doctrine of the law of the case, the principles of the rule of comity and considerations for the orderly functioning of the judicial process, compelled him to the conclusion that he should not re-examine this previously litigated and adjudicated issue.

F. Supp. . It is the order denying the motion to re-

transfer the action which the petitioners here seek to have Chief Judge Leahy directed to vacate.

The respondent and intervenor urge that an appropriate case for mandamus is not presented by these facts since the petitioners will have an adequate remedy by appeal from any judgment which may be entered against them in the Delaware District Court. We agree.

Assuming that the order of the Southern California District Court was erroneous in sustaining the defendant's objection to the venue and that its order transferring the action to the District of Delaware was accordingly invalid, the error is one which this court will have power to correct upon appeal from the judgment ultimately entered in the action by the Delaware District Court. For if the order of transfer was erroneous all subsequent proceedings in the Delaware District Court are subject to that initial infirmity. It is an infirmity which the plaintiffs may doubtless waive since the court has jurisdiction of the subject matter and the parties are actually before it. But it is in the nature of a venue objection which, timely asserted as it has been here, the appearance of the plaintiffs in the Delaware District [fol. 61] Court will not operate to waive.[1] Accordingly unless the plaintiffs should subsequently waive their objection to the order of transfer they will be entitled to assert it on appeal and, if the objection is sustained, obtain from this court an order vacating the judgment of the Delaware District Court and directing the remand of the action to the Southern District of California. The Court of Appeals for the Ninth Circuit so concluded in the mandamus proceeding brought by these petitioners before it and we agree with its conclusion.

In Ex parte Fahey, 1947, 332 U. S. 258, the Supreme Court said (pp. 259-260):

> "Mandamus, prohibition and injunction against judges are drastic and extraordinary remedies. We do not doubt power in a proper case to issue such writs. But they have the unfortunate consequence of making the judge a litigant, obliged to obtain personal counsel

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[1] Compare Orange Theatre Corp. v. Rayherstz Amusement Corp., 3 Cir. 1944, 139 F. 2d 871, cert. den. 322 U. S. 740.

or to leave his defense to one of the litigants before him. These remedies should be resorted to only where appeal is a clearly inadequate remedy. We are unwilling to utilize them as substitutes for appeals. As extraordinary remedies, they are reserved for really extraordinary causes."

Since an appeal in this action will be just as adequate as in any other case where an objection to jurisdiction or venue is overruled by the trial court and after a trial on the merits the objection is sustained on appeal from the final judgment[2] there are here no extraordinary circumstances which call for resort to the extraordinary remedy of mandamus. The mere fact that the petitioners will be put to the inconvenience and expense of what may prove to be a wholly abortive trial is an argument which might be addressed to Congress in support of legislation authorizing interlocutory appeals [fol. 62] but does not constitute ground for invoking mandamus power. As the Supreme Court said in Roche v. Evaporated Milk Assn., 1943, 319 U. S. 21, 30:

"Respondents stress the inconvenience of requiring them to undergo a trial in advance of an appellate determination of the challenge now made to the validity of the indictment. We may assume, as they allege, that that trial may be of several months' duration and may be correspondingly costly and inconvenient. But that inconvenience is one which we must take it Congress contemplated in providing that only final judgments should be reviewable. Where the appeal statutes establish the conditions of appellate review, an appellate court cannot rightly exercise its discretion to issue a writ whose only effect would be to avoid those conditions and thwart the Congressional policy against piecemeal appeals in criminal cases. *Cobbledick v. United States,* 309 U. S. 323."

What the Supreme Court said in U. S. Alkali Assn. v. U. S., 1945, 325 U. S. 196, 202-203, is equally applicable:

"It is evident that hardship is imposed on parties who are compelled to await the correction of an alleged

[2] See, e.g., Blank v. Bitker, 7 Cir. 1943, 135 F. 2d 962.

error at an interlocutory stage by an appeal from a final judgment. But such hardship does not necessarily justify resort to certiorari or other of the extraordinary writs as a means of review. In such cases appellate courts are reluctant to interfere with decisions of lower courts, even on jurisdictional questions, which they are competent to decide and which are reviewable in the regular course of appeal. *In re Tampa Suburban R. Co., supra; Ex parte Harding,* 219 U. S. 363, 369; *Roche v. Evaporated Milk Assn., supra,* 30-31, and cases cited; cf. *Stoll v. Gottlieb,* 305 U. S. 165; *Treinies v. Sunshine Mining Co.,* 308 U. S. 66. The writs may not be used as a substitute for an authorized appeal; and where, as here, the statutory scheme permits appellate review of [fol. 63] interlocutory orders only on appeal from the final judgment, review by certiorari or other extraordinary writ is not permissible in the face of the plain indication of the legislative purpose to avoid piecemeal reviews. *Roche v. Evaporated Milk Assn., supra,* 30, and cases cited; and see *Cobbledick v. United States,* 309 U. S. 323."

The petitioners argue that writs of mandamus have been granted by courts of appeals in cases involving the transfer of actions from one district to another and it cites a number of cases from various courts of appeals, including ours. Those cases, however, have all involved transfers under Sec. 140(a) of Title 28, U.S.C., the forum non conveniens section. As we pointed out in Pennsylvania Turnpike Commission v. Welsh, 1951, 188 F. 2d 447, 449, footnote 2, these cases normally deal with an issue, the convenience of parties and witnesses, "which in its nature must be reviewed before trial, if at all." It may, therefore, be, as some courts of appeals have held,[3] that the remedy of mandamus should be available to prevent an abuse of discretion in such transfers. Moreover this court has held that mandamus is available in

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[3] Magnetic Engineering & Mfg. Co. v. Dings Mfg. Co., 2d Cir. 1950, 178 F. 2d 866; Ford Motor Co. v. Ryan, 2 Cir. 1950, 182 F. 2d 329, cert. den. 340 U. S. 851; Atlantic Coast Line R. Co. v. Davis, 5 Cir. 1950, 185 F. 2d 766; Nicol v. Koscinski, 6 Cir. 1951, 188 F. 2d 537.

such a case to direct a district judge to exercise his discretion when he has declined to do so on the erroneous ground that the statute does not give him discretionary power to make the transfer requested.[4]

It is true that in some cases the courts of appeals have gone farther and entertained on their merits applications for mandamus in transfer cases under Sec. 1404(a) which involved a definite want of statutory authority to make the proposed transfer and not merely an abuse of discretion in [fol. 64] balancing the conveniences involved.[5] It must be conceded that these cases conflict in principle with our present decision. However, we cannot follow them for the reasons stated by the Supreme Court in its opinions in Ex parte Fahey, Roche v. Evaporated Milk Assn. and U. S. Alkali Assn. v. U. S. from which we have already quoted.

The petition for a writ of mandamus will be denied.

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[4] Paramount Pictures v. Rodney, 3 Cir. 1950, 186 F. 2d 111, cert. den. 340 U. S. 953.

[5] Foster-Milburn Co. v. Knight, 2 Cir. 1950, 181 F. 2d 949; Shapiro v. Bonanza Hotel Co., 9 Cir. 1950, 185 F. 2d 777; Fettig Canning Co. v. Steckler, 7 Cir. 1951, 188 F. 2d 715, cert. den. 341 U. S. 951.

[fol. 65] UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

No. 10,488

GULF RESEARCH & DEVELOPMENT COMPANY, WELEX JET SERVICES, INC., and BYRON JACKSON CO., Petitioners,

vs.

HONORABLE PAUL LEAHY, United States District Judge, Respondent

and

SCHLUMBERGER WELL SURVEYING CORPORATION, Intervenor

ORDER DENYING PETITION FOR MANDAMUS—December 13, 1951

Present Maris, Kalodner and Staley, Circuit Judges

The petition for writ of mandamus filed in the above-entitled cause is hereby denied, with costs to be taxed in favor of the intervenor.

Attest:

Ida O. Creskoff, Clerk.

December 13, 1951.

[fol. 66] Clerk's Certificate to foregoing transcript omitted in printing.

[fol. 67] SUPREME COURT OF THE UNITED STATES, OCTOBER TERM, 1952

No. 24

THE GULF RESEARCH AND DEVELOPMENT COMPANY et al., Petitioners,

vs.

The Honorable PAUL LEAHY, United States District Judge, et al.

ORDER ALLOWING CERTIORARI—Filed April 21, 1952

The petition herein for a writ of certiorari to the United States Court of Appeals for the Third Circuit is granted.

And it is further ordered that the duly certified copy of the transcript of the proceedings below which accompanied the petition shall be treated as though filed in response to such writ.

The Chief Justice took no part in the consideration or decision of this application.

Office - Supreme Court
FILED
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CHARLES ELMORE CR
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No. [redacted] 24

IN THE

Supreme Court of the United States

October Term, 1951.

GULF RESEARCH & DEVELOPMENT COMPANY, WELEX JET SERVICES, INC., and BYRON JACKSON CO.,

Petitioners,

v.

THE HONORABLE PAUL LEAHY, UNITED STATES DISTRICT JUDGE,

and

SCHLUMBERGER WELL SURVEYING CORPORATION,

Respondents.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT.

LEONARD S. LYON,
THOMAS COOCH,
LEONARD S. LYON, JR.,
RICHARD E. LYON,
Counsel for Petitioners.

International, 236 Chestnut St., Phila. 6, Pa.

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IN THE

Supreme Court of the United States.

OCTOBER TERM, 1951.

No.

GULF RESEARCH & DEVELOPMENT COMPANY,
WELEX JET SERVICES, INC.,
AND BYRON JACKSON CO.,

Petitioners,

v.

THE HONORABLE PAUL LEAHY,
UNITED STATES DISTRICT JUDGE,

and

SCHLUMBERGER WELL SURVEYING
CORPORATION,

Respondents.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT.

To the Honorable Fred M. Vinson, Chief Justice, and the Associate Justices of the Supreme Court of the United States:

Your petitioners, Gulf Research and Development Company, Welex Jet Services, Inc., and Byron Jackson Co., respectfully pray that a Writ of Certiorari issue to review an order of the United States Court of Appeals for the Third Circuit entered in the above entitled case on December 13, 1951, denying a petition for a writ of mandamus by that Court to The Honorable Paul Leahy, United States District Judge for the District of Delaware. The writ sought was to direct Judge Leahy to vacate and set aside an order entered by him in the United States District Court for the District of Delaware in an action entitled *Gulf*

Research and Development Company et al. v. Schlumberger Well Surveying Corporation, Civil Action No. 1342, denying a motion of your petitioners, plaintiffs in that Court, to transfer the case to the Southern District of California, Central Division.

OPINIONS BELOW.

The opinion of the District Court (R. 21) in the proceedings out of which the instant petition arises is reported sub nom. *Gulf Research and Development Company et al. v. Schlumberger Well Surveying Corporation,* 98 F. Supp. 198. The opinion of the Court of Appeals (R. 41) is reported in 193 F. 2d 302.

JURISDICTION.

The order of the Court of Appeals was entered on December 13, 1951 (R. 48). The jurisdiction of this Court is invoked under Title 28, U. S. C. § 1254 (1).

QUESTIONS PRESENTED.

1. Where an action has been transferred to a different district purportedly under revised Title 28, U. S. C. § 1406 (a), and where as a matter of law the district court had no power to make such transfer, is mandamus proper to compel the district court in the transferee district to determine the legality of the transfer where such court had declined to make such determination after the filing of a motion to retransfer the action?

2. Where a district court having no power so to do has transferred an action to a different district, should the Court of Appeals for the transferee district order a retransfer of the action before trial?

3. Whether under the venue provisions of revised Title 28, U. S. C. §§ 1391 (c) and 1400 (b), venue is properly laid against a corporate defendant in a patent infringement action in any district in which that defendant is doing business.

STATUTES INVOLVED.

The pertinent statutory provisions are printed in Appendix A (*infra*, page 15).

STATEMENT.

An action for patent infringement (R. 7) was filed by petitioners on March 20, 1950 in the Southern District of California, Central Division. On April 10, 1950, the defendant in that action filed a motion (R. 9) to dismiss the complaint under revised Title 28, U. S. C. § 1406 (a) for want of proper venue. Judge Harrison of the District Court for the Southern District of California, Central Division, did not dismiss the action, but ordered the transfer thereof to the United States District Court for the District of Delaware. *Gulf Research and Development Company et al. v. Schlumberger Well Surveying Corporation,* (D. C. S. D. Cal., 1950) 92 F. Supp. 16 (R. 11). Judge Harrison's order (R. 32) was based upon the ground that there was no allegation in the complaint that the defendant had committed acts of infringement and had a regular and established place of business in the Southern District of California and that venue was therefore improper.

Judge Harrison's ruling did not involve the exercise of discretion but rather was based solely on a point of law. The defendant corporation admitted that it was doing business in the Southern District of California. The only question before Judge Harrison was whether, under the venue provisions of revised Title 28, U. S. C. (effective September 1, 1948) the Congressional definition of corporate residence as including the judicial district in which a corporate defendant is doing business applies to an action for patent infringement. Judge Harrison held that it does not and that these venue provisions require that patent infringement actions against a corporation be brought either in the state of its incorporation or where the corporation has both committed acts of infringement and has a regular and established place of business. Peti-

tioners contended that while such was the rule under the old Judicial Code, revised Title 28, U. S. C. defines corporate residence for venue purposes, which definition, by the plain language of the statutes involved, is applicable to patent infringement actions. Thus, revised Title 28, U. S. C. § 1400 (b) establishes venue requirements in patent infringement actions. It reads:

> "(b) Any civil action for patent infringement may be brought in the judicial district where the defendant resides, or where the defendant has committed acts of infringement and has a regular and established place of business."

In the case of corporate defendants, revised Title 28, U. S. C. § 1391 (c) provides that a corporation is a resident of any judicial district in which it is doing business. This sub-section reads:

> "(c) A corporation may be sued in any judicial district in which it is incorporated or licensed to do business or is doing business, and such judicial district shall be regarded as the residence of such corporation for venue purposes."

It was petitioners' contention that since the defendant corporation was doing business in the Southern District of California, under § 1391 (c) it resided, for venue purposes, in that district. As a resident of such district, it could properly be sued there for patent infringement under § 1400 (b).

Following the signing of the order transferring the case to Delaware, petitioners filed an application to the Court of Appeals for the Ninth Circuit for leave to file a petition for a writ of mandamus or prohibition directing Judge Harrison to withdraw his order of transfer. This application was granted, and on November 20, 1950, that court rendered its opinion denying the petition sought (R. 16). The ground for such denial was that the case was not such an extraordinary one as to justify issuance of the writ. *Gulf Research and Development Company et al. v.*

Harrison, (9 Cir., 1950) 185 F. 2d 457, 459. No consideration whatever was given to the merits of the venue question presented.

Immediately after the transfer of the case to the United States District Court for the District of Delaware, petitioners moved to transfer the case back to the Southern District of California, Central Division, on the ground that proper venue was in the Southern District of California, and that the case had been transferred to the District of Delaware improperly and contrary to law. Judge Leahy of the District Court for the District of Delaware denied petitioners' motion to transfer on the ground that for him to review Judge Harrison's earlier ruling "would be a usurpation of an appellate function". *Gulf Research and Development Company, et al v. Schlumberger Well Surveying Corporation* (D. C. Del., 1951) 98 F. Supp. 198, 201 (R. 26).

Petitioners then filed, in the Court of Appeals for the Third Circuit, a petition for writ of mandamus to Judge Leahy, directing him to set aside his order denying petitioners' motion to transfer and to consider petitioners' motion on its merits, or in the alternative, to grant such motion (R. 1).

The Court of Appeals for the Third Circuit, in an opinion rendered December 13, 1951 (R. 41), denied this petition on the ground that the original transfer order would be reviewable on appeal after final judgment, and therefore an appropriate case for mandamus was not presented. *Gulf Research and Development Company et al. v. Leahy*, (3 Cir., 1951), 193 F. 2d 302. The Court relied upon the authority of *Ex parte Fahey* (1947), 332 U. S. 258; *Roche v. Evaporated Milk Assn.*, (1943) 319 U. S. 21; and *U. S. Alkali Assn. v. U. S.*, (1945) 325 U. S. 196.

Throughout these proceedings, it has been petitioners' contention that venue was properly laid in the Southern District of California. Revised Title 28, U. S. C. § 1406 (a), under which Judge Harrison of the District Court for such district purported to act, empowers a court to transfer an

action only where venue is laid in the wrong district. Accordingly Judge Harrison had no power to transfer the action from the Southern District of California to the District of Delaware.

REASONS FOR GRANTING THE WRIT.

1. The decision of the Court of Appeals holding mandamus inappropriate is in direct conflict with a decision by the Court of Appeals for the Seventh Circuit in *C-O-Two Fire Equipment Company v. John P. Barnes, Judge of the United States District Court for the Northern District of Illinois,* (February 1, 1952) F. 2d , printed in Appendix B (*infra,* pp. 16 to 26). There, the defendant corporation, in a patent infringement action, had moved under revised Title 28, U. S. C. § 1406 (a) to dismiss, or in the alternative, transfer for want of proper venue. The defendant conceded that it was doing business within the district, and Judge Barnes held that under revised Title 28, U. S. C. § 1391 (c), the defendant was therefore a resident of the district and amenable to venue in a patent infringement action under revised Title 28, U. S. C. § 1400 (b). The defendant then filed, in the Court of Appeals for the Seventh Circuit, a petition for a writ of mandamus directing Judge Barnes to vacate his order denying the defendant's motion and further directing him to grant the motion. Regarding the propriety of mandamus, the Court stated:

> "In the beginning, we conclude that this court has the power to issue the writ of mandamus and, if petitioner is correct in its position, that it is an appropriate case for the exercise of such power."

The Court granted the relief sought by the petition.

2. In addition to the above conflict, the decision of the Court of Appeals for the Third Circuit holding mandamus inappropriate is in conflict with the decision of the Court of Appeals for the Second Circuit in *Foster-Milburn, et al. v. Knight,* (1950) 181 F. 2d 949; with the decision of the

Court of Appeals for the Ninth Circuit in *Shapiro v. Bonanza Hotel, Inc.*, (1950) 185 F. 2d 777; and with the decision of the Court of Appeals for the Seventh Circuit in *Fettig Canning Co. v. Steckler*, (1951) 188 F. 2d 715, cert. den. 341 U. S. 951. In essence, petitioners have sought in the court below a review of Judge Harrison's transfer order on the ground that the order was made without statutory authority. In each of the enumerated cases, the courts entertained on their merits petitions for mandamus in transfer cases which involved a want of statutory authority to make the proposed transfer. This conflict was conceded by the Court of Appeals below, which, after referring to these three cases, stated in its opinion:

> "It must be conceded that these cases conflict in principle with our present decision."

3. The remedial question presented is an important question of Federal law which has not been, but which should be, settled by the Supreme Court. Revised Title 28, U. S. C. has introduced a novel procedure into federal practice, authorizing the courts to transfer actions to other districts either where the convenience of the parties and witnesses and the interest of justice so required, (§ 1404 (a)), or where venue has been improperly laid (§ 1406 (a)). Revised Title 28, U. S. C. contains no provisions relating to the reviewability of orders denying or granting motions for such transfers. The Courts of Appeals have, however, unanimously held that such orders, being interlocutory, are not appealable. *Paramount Pictures v. Rodney*, (3 Cir., 1950), 186 F. 2d 111, cert. den. 340 U. S. 953; *Ford Motor Co. v. Ryan*, (2 Cir., 1950), 182 F. 2d 329; *Shapiro v. Bonanza Hotel Co.*, (9 Cir., 1950) 185 F. 2d 777.

Whether such orders are reviewable by mandamus presents a novel and troublesome question of considerable importance. This is sharply illustrated by the language of Judge Frank in an opinion dissenting in part in *Magnetic Engineering & Mfg. Co. v. Dings Mfg. Co.*, (2 Cir., 1949) 178 F. 2d 866, wherein the court had declined to review an

order transferring a case under revised Title 28, U. S. C. § 1404 (a) on the ground that the Court of Appeals for the transferee district was a more appropriate tribunal to make such review. Judge Frank stated, 178 F. 2d at 870:

> "• • • However, Congress, when it recently substituted a transfer order for an order of dismissal previously used (under the forum non conveniens doctrine) in cases like this, almost surely did not plan such a result, *i.e.*, I think that Congress did not have in mind that the transfer order would be interlocutory and non-appealable. I think, therefore, that a sense of justice should prompt us to grant relief, if possible, by way of mandamus. • • •"

A great state of confusion and uncertainty exists in the various Courts of Appeals on the question. Compare *Paramount Pictures v. Rodney*, (3 Cir., 1950), 186 F. 2d 111, cert. den. 340 U. S. 953, holding mandamus proper, with the decision in the instant proceedings by the same court holding mandamus improper; *Gulf Research and Development Company, et al. v. Harrison*, (9 Cir., 1950) 185 F. 2d 457, holding mandamus improper, with *Shapiro v. Bonanza Hotel Co.*, (9 Cir., 1950) 185 F. 2d 777, holding mandamus proper; *Magnetic Engineering & Mfg. Co. v. Dings Mfg. Co.*, (2 Cir. 1950) 178 F. 2d 866, holding mandamus improper, at least as to the Court of Appeals of the transferor district, with *Foster-Milburn Co., et al. v. Knight*, (2 Cir., 1950) 181 F. 2d 949, holding mandamus proper by the Court of Appeals in the transferor district. See also *Nicol v. Koscinski*, (6 Cir., 1951) 188 F. 2d 537; *Fettig Canning Co. v. Steckler*, (7 Cir., 1951) 188 F. 2d 715, cert. den. 341 U. S. 951; *Atlantic Coast R. Co. v. Davis*, (5 Cir., 1950) 185 F. 2d 766, each holding transfer orders reviewable by mandamus; and *Ford Motor Co. v. Ryan*, (2 Cir., 1950) 182 F. 2d 329, holding an order denying a transfer reviewable by mandamus.

These cases amply demonstrate that the reviewability of orders transferring or refusing to transfer is a novel question presented by revised Title 28, U. S. C. and one which is not only of very frequent occurrence, but further, one as to which confusion and uncertainty exist in the Courts of Appeals. Under these circumstances, an early and definitive ruling by the Supreme Court is essential to the effective administration of the law.

4. The Court of Appeals for the Third Circuit appears to hold that if Judge Harrison's transfer order were improper, such would constitute reversible error on appeal after final judgment. Thus, the Court states in its opinion (R. 44):

> "Accordingly unless the plaintiffs should subsequently waive their objections to the order of transfer, they will be entitled to assert it on appeal and, if the objection is sustained, obtain from this Court an order vacating the judgment of the Delaware district court and directing the remand of the action to the Southern District of California."

Such holding conflicts in principle with decisions of the Courts of Appeals for the Second and Fifth Circuits, and indeed with an earlier decision by the Court of Appeals for the Third Circuit. *Ford Motor Co. v. Ryan,* (2 Cir., 1950) 182 F. 2d 329; *Atlantic Coast R. Co. v. Davis,* (5 Cir., 1950) 185 F. 2d 766; *Paramount Pictures v. Rodney,* (3 Cir., 1950) 186 F. 2d 111, cert. den. 340 U. S. 953. In each of these decisions, the courts have expressly recognized that an improper order transferring or refusing to transfer a case will not normally be correctible on appeal after trial. While each of these cases involves transfer orders under revised Title 28, U. S. C. § 1404 (a), the section concerning forum non conveniens, rather than § 1406 (a), the section concerning improper venue here involved, your petitioners submit that the question presented is the same.

If the Court of Appeals by the above quoted language holds only that an improper transfer order is reversible on appeal after trial providing sufficient prejudice could be established to justify such a reversal, and assuming as did the Courts in the cases cited above that such prejudice could not normally be shown, the effect of the denial of the writ of mandamus in the instant case is to deprive petitioners of any appellate review of Judge Harrison's action and thereby to deprive petitioners of their choice of venue expressly provided by the statutes. Such a result so far departs from the accepted and usual course of judicial proceedings as to call for an exercise by this Court of its power of supervision.

5. Over and beyond the question presented as to mandamus, an early and definitive ruling by this Court on the underlying venue question is essential to the orderly administration of justice and to resolve the conflict and confusion respecting it existing throughout the country. For this reason, petitioners particularly urge that this Court rule directly on the merits of the venue question here presented. Whether in patent infringement actions (and more generally in other types of actions subject to special venue statutes) venue can be laid against a corporate defendant in any district in which it is licensed to do business or is doing business, is clearly a question of prime importance to litigants in the federal courts. Unfortunately, however, the lower courts are in hopeless confusion on this novel and troublesome question, arising under the provisions of revised Title 28, U. S. C.

A review of known district court cases in which the question has arisen emphasizes the importance of the question in view of the frequency with which it has arisen. Moreover, such review brings in sharp focus the conflict and confusion with which the courts and litigants are confronted under the present state of the law. Thus, in the following patent infringement actions, the district courts

have held a corporate defendant amenable to venue where it was doing business within the district:

Radio Corporation of America v. Paramount Pictures, Inc., et al., (D. C. S. D. Cal., 1950), Civil Action No. 8070-WM, unreported;

Farr v. Gratiot, et al., (D. C. S. D. Cal., C. D. 1950) 92 F. Supp. 320;

Sponge Products v. Fuller Brush Co., (D. C. N. D. Ill., 1951), Civil Action No. 51 C 382, unreported;

Cardox v. C-O-Two, (D. C. N. D. Ill., 1951), Civil Action No. 51 C 1007, unreported, reversed sub nom. *C-O-Two Fire Equipment Company v. Barnes*, No. 10512, (7 Cir., Feb. 1, 1952) F. 2d .

On the other hand, in the following patent infringement actions, the district courts have held a corporate defendant not amenable to venue even though it was doing business within the district:

Gulf Research and Development Company, et al. v. Schlumberger Well Surveying Corporation, (D. C. S. D. Cal., C. D., 1950) 92 F. Supp. 16;

Dalton v. Shakespeare Company, (D. C. S. D. Fla., 1951) Case No. 1884-Civil Tampa, unreported;

Aetna Ball & Roller Bearing Co. v. The Federal Bearing Company, Inc., (D. C. N. D. Ill., E. D. 1950), Civil Action No. 50 C 857, unreported;

Nachtman v. Jones & Laughlin Steel Corp., (D. C. D. of C., 1950) 90 F. Supp. 739.

The only decision on the question by any court of appeals is *C-O-Two Fire Equipment Company v. Barnes*, No. 10512 (7 Cir., Feb. 1, 1952) F. 2d . Here, in a split

decision, the Court held that the new Congressional definition of corporate residence for venue purposes contained in § 1391 (c) of revised Title 28, U. S. C. does not apply to the residence alternative of the patent venue section, and accordingly, that both a regular and established place of business and acts of infringement within the district are required where the defendant is incorporated under the laws of a different state. In a dissenting opinion, Judge Lindley stresses the clear language of the venue provisions of revised Title 28. Further, Judge Lindley points out that the effect of the decision is to add an exception to revised Title 28, U. S. C. § 1391 (c) excluding patent infringement actions and that such an addition to the statute is beyond the judicial function. In addition to the *C-O-Two* case, petitioners are advised that an appeal is currently pending in the Court of Appeals for the Fifth Circuit in the *Dalton v. Shakespeare* case, and was to have been argued March 11, 1952. In that case, the district court dismissed for want of proper venue, and it is from the judgment of dismissal that the appeal has been taken.

Besides the above noted patent infringement actions, the broader question as to whether revised Title 28, U. S. C. § 1391 (c) defines residence of corporate defendants for venue purposes in other types of actions involving special venue statutes has frequently arisen. For example, it has been held that such definition does apply in actions brought under the Jones Act (Title 46, U. S. C. § 688). *Bagner v. Blidberg Rothchild Co.*, (D. C. E. D. Pa., 1949) 84 F. Supp. 973; *Bounds v. Streckfus Steamers* (D. C. D. Del., 1950) 89 F. Supp. 242; and *Mincy v. Detroit & Cleveland Navigation Co.*, (D. C. S. D., N. Y., 1950) 94 F. Supp. 456. Similarly, in *Lipp, et al. v. National Screen Service Corp.*, (D. C. E. D. Pa., 1950) 95 F. Supp. 66, such definition was held to apply in actions brought against corporate defendants under the Clayton Act (Title 15, U. S. C. § 22).

The confusion and uncertainty in the lower courts regarding corporate venue under revised Title 28, U. S. C., shown by the above cases is strikingly demonstrated in the

Southern District of California, Central Division. In that court, the judges themselves disagree, with the result that whether venue against a corporate defendant in patent infringement actions is proper depends solely upon the particular judge to whom the case is assigned.

The importance of the question involved, and the hopeless confusion and uncertainty in the lower courts, make it clear that an early and definitive ruling on the point by the Supreme Court is essential to effectuate the manifest purpose of revised Title 28, U. S. C. in simplifying and making uniform Federal procedure. The situation here presented is strikingly similar to that before this Court in three recent cases. Thus, in *Ex parte Collett,* (1949), 337 U. S. 55, and *Kilpatrick v. Texas & P. R. Co.,* (1949), 337 U. S. 75, the question was presented as to whether revised Title 28, U. S. C. § 1404 (a) empowered a district court to transfer for convenience an action brought under the Federal Employers' Liability Act, Title 45, U. S. C. §§ 51-59. This Court assigned the cases for hearing on a motion for leave to file petitions for writs of mandamus and prohibition directed to the district court in the *Collett* case, and a petition for a writ of mandamus or certiorari directed to the district court in the *Kilpatrick* case. In the *Collett* case, the Court stated that its reason for assigning the case for hearing was the importance of the question in the administration of justice, noting the conflicting decisions in the district courts, 337 U. S. at 57. Similarly, in *United States v. National City Lines, Inc.,* (1949), 337 U. S. 78, a district court had transferred an antitrust suit under revised Title 28, U. S. C. § 1404 (a), and the question was presented as to whether revised Title 28, U. S. C. empowered a district court to make such a transfer. This Court assigned for hearing a motion by the plaintiff for leave to file a petition for a writ of certiorari directed to the district court.

The instant petition raises the question of whether revised Title 28, U. S. C. empowers a district court to trans-

fer a patent infringement action against a corporate defendant doing business within the district on the ground that venue is improperly laid. The question is of great importance in the administration of justice, and the lower courts are in hopeless conflict. Under the *Collett, Kilpatrick* and *National City Lines* cases, Petitioners submit that this Court should rule directly on this question.

CONCLUSION.

For the foregoing reasons this petition for certiorari should be granted.

Respectfully submitted,

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March 12, 1952.

APPENDIX A.

[Portions of revised Title 28, U. S. Code]

§ 1254. Courts of appeals; certiorari; appeal, certified questions.

Cases in the courts of appeals may be reviewed by the Supreme Court by the following methods:

(1) By writ of certiorari granted upon the petition of any party to any civil or criminal case, before or after rendition of judgment or decree;

• • •

§ 1391. Venue generally.

• • •

(c) A corporation may be sued in any judicial district in which it is incorporated or licensed to do business or is doing business, and such judicial district shall be regarded as the residence of such corporation for venue purposes.

• • •

§ 1400. Patents and copyrights.

• • •

(b) Any civil action for patent infringement may be brought in the judicial district where the defendant resides, or where the defendant has committed acts of infringement and has a regular and established place of business.

APPENDIX B.

IN THE
UNITED STATES COURT OF APPEALS
FOR THE SEVENTH CIRCUIT

OCTOBER TERM, 1951, JANUARY SESSION, 1952

No. 10512

C-O-TWO FIRE EQUIPMENT COMPANY, *Petitioner,*

v.

JOHN P. BARNES, JUDGE OF THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS, *Respondent.*

Petition for Writ of Mandamus.

FEBRUARY 1, 1952

Before MAJOR, *Chief Judge,* LINDLEY and SWAIM, *Circuit Judges.*

MAJOR, *Chief Judge.* The question for decision is whether the definition of corporate "residence" for venue purposes contained in Title 28 U. S. C. A. Sec. 1391 (c) applies to Sec. 1400 (b) of the same Title, relating to venue in actions for patent infringement.

On June 26, 1951, Cardox Corporation, an Illinois corporation, instituted in the Northern District of Illinois, Eastern Division, its action against C-O-Two Fire Equipment Company, as defendant, charging patent infringement. The complaint alleged that the action arose under the patent laws of the United States, and venue was predicated upon the allegation, "defendant * * * is a corporation organized and existing under the laws of the State of Delaware, and is licensed to do business in the State of Illinois, is a resi-

dent of and has a regular and established place of business in and is doing business in the Northern District of Illinois, Eastern Division, with offices at 444 North Lake Shore Drive, Chicago, Illinois." It will be noted that there was no allegation that "the defendant has committed acts of infringement" in the District where the suit was instituted. Predicated upon this ground the defendant, on July 12, 1951, filed its motion for a dismissal of the action because of a failure to allege proper venue. Defendant also suggested to the court that instead of dismissing the action it would be appropriate to transfer it, under the discretionary provision of Sec. 1406 (a) of Title 28 U. S. C. A.

The defendant in support of its motion submitted affidavits of its president and secretary, admitting that defendant was licensed to do business and had a place of business within the Northern District of Illinois but stating that such business as was transacted there was not related to the alleged infringing acts and that defendant had committed no alleged infringing acts within the Northern District of Illinois, and admitting that it had committed acts of the kind complained of in the State of New Jersey, where the defendant maintained its principal office and manufacturing plant, kept all of its books and records relating to the alleged infringing activities and where its officers, engineers and employees who were acquainted with the alleged infringing activities were located.

On October 15, 1951, the District Court, Honorable John P. Barnes presiding, respondent herein, entered an order denying defendant's motion to dismiss or in the alternative to transfer the cause, and ordered the defendant to answer the complaint within thirty days.

On October 29, 1951, the defendant (hereinafter referred to as the petitioner) filed in this court its petition for writ of mandamus to the Honorable John P. Barnes, directing that he vacate and set aside the order entered October 15, 1951, denying the motion to dismiss or in the alternative

to transfer the case. To this petition an answer was filed by respondent on November 14, 1951, disclaiming interest in the cause or the issues thereof other than such interest as any other citizen of the United States should have. On November 27, 1951, Cardox Corporation, plaintiff in the suit below, was, upon its petition, given leave to intervene in this court and to contest the issuance of the writ sought by petitioner. (Cardox Corporation will be hereinafter referred to as the intervenor.)

In the beginning, we conclude that this court has the power to issue the writ of mandamus and, if petitioner is correct in its position, that it is an appropriate case for the exercise of such power. *Ford Motor Co. et al. v. Ryan*, 182 F. 2d 329, 330; *Paramount Pictures, Inc. et al. v. Rodney*, 186 F. 2d 111, 116. *Cf. Ex Parte Collett*, 337 U. S. 55. We need not labor this point, however, because intervenor in its brief raises no question in this respect and in oral argument conceded both the power of the court and the appropriateness of the remedy.

The question for decision stated in the beginning, in reality, simmers down to the inquiry as to whether venue in a patent infringement suit can properly be laid in a District other than that of its incorporation, even though it has a regular and established place of business in such District, in the absence of an allegation that it has committed acts of infringement therein.

Petitioner in support of its position contends that Sec. 1391 (c), a general venue provision, has no application to Sec. 1400 (b), a special venue provision relating solely to actions for patent infringement. Petitioner cites numerous court decisions which assertedly support its position and places much reliance upon the legislative history, including the Reviser's Notes, as demonstrating a clear intention on the part of Congress to make no change in the law of venue in suits for patent infringement as it existed prior to the revision of the Judicial Code.

The intervenor contends that Secs. 1400 (b) and 1391 (c) are complementary and that the definition of "residence" contained in the latter section must be given effect and applied to the former. Intervenor likewise cites court decisions asserted to support its contention. It, however, attaches little if any weight to the legislative history or the Reviser's Notes which accompany the two sections, on the premise that the phraseology found in the two sections, and particularly Sec. 1391 (c), is so clear and unambiguous as not to permit of any interpretation or construction. Intervenor's argument goes to the extent of asserting that the adoption of petitioner's position would require judicial legislation by adding to the end of Sec. 1391 (c) the phrase, "except in patent litigation."

Much is said by the parties in their briefs relative to the interpretation or construction which should be given to the two sections in controversy but, in our view, it is more accurate to state that the issue depends upon whether the two sections must be read together or, more pointedly, whether Sec. 1391 (c) is applicable to Sec. 1400 (b). The numerous sections of Chapter 87 of the Judicial Code prescribe the venue of District Courts under a variety of circumstances. Sec. 1391 (c), entitled "Venue generally," provides:

> "A corporation may be sued in any judicial district in which it is incorporated or licensed to do business or is doing business, and such judicial district shall be regarded as the residence of such corporation for venue purposes."

Sec. 1400 (b), entitled "Patents and copyrights," provides:

> "Any civil action for patent infringement may be brought in the judicial district where the defendant resides, or where the defendant has committed acts of infringement and has a regular and established place of business."

Thus, the former section is general and applies only to a corporation, while the latter is special, relating to a specific subject matter and evidently is applicable to individuals as well as corporations. We agree with the intervenor's contention that the phraseology of Sec. 1391 (c) is clear, plain and unambiguous and is not susceptible to interpretation or construction. But even so, the point is immaterial. The question is whether Sec. 1391 (c) has any application to Sec. 1400 (b), or more pointedly, whether the latter section is dependent for its force and vitality upon the former. And the acceptance of petitioner's contention requires no interpretation or construction of Sec. 1391 (c) other than that it be held inapplicable to an action for patent infringement. Sec. 1391 (c) would remain just as it is written, to be given application in an appropriate situation.

On the other hand, intervenor's contention, if accepted, would result in partial if not complete emasculation of Sec. 1400 (b) as it relates to a corporate defendant in actions for patent infringement. This incongruous result is highlighted by a recasting of the section so that it will read in accordance with such contention. The following is the result (the italicized words we insert):

> "Any civil action *against a corporation* for patent infringement may be brought in the judicial district where the defendant resides, *to wit in the judicial district in which it is incorporated or licensed to do business or is doing business,* or where the defendant has committed acts of infringement and has a regular and established place of business."

The two alternatives for venue in Sec. 1400 (b) stem from old Sec. 109 (Judicial Code Sec. 48), with only slight changes in phraseology. As to this predecessor provision, it has been held that it conferred upon defendants in patent cases a privilege in respect to the places in which suits

could be miantained against them. *General Electric Co. et al. v. Marvel Rare Metals Co. et al.*, 287 U. S. 430, 435. See also *Stonite Products Co. v. Melvin Lloyd Co. et al.*, 315 U. S. 561. No purpose is discernible on the part of Congress, in its revision, to eliminate or minimize this privilege or the protection which it afforded. And certainly if there had been such a purpose, Congress would not have attempted to accomplish it in such an awkward and indirect fashion.

A reading of the provision recast conformable to intervenor's contention makes it apparent, so we think, that the first alternative as a venue limitation becomes abortive and the second meaningless if not inconsistent. What purpose could be served in limiting venue to the District where the defendant resides if that includes not only the District of its incorporation but also a District either in which it is licensed to do business or is doing business? And if a corporation can be sued where it "is doing business," what possible purpose can be served by the second venue alternative, "where the defendant has committed acts of infringement and has a regular and established place of business"? Intervenor's contention would permit a suit to be brought in the District where the defendant "is doing business" but not in the District where it has a "regular and established place of business" in the absence of a showing that the defendant "has committed acts of infringement" in such District. Such an anomalous theory, if embraced, would make a dead letter out of the second alternative in the patent venue section. The plaintiff in determining proper venue for his suit against a corporation for patent infringement would hardly need to read Sec. 1400 (b). Why bother with an allegation that the "defendant has committed acts of infringement and has a regular and established place of business" in the District, which it later would be required to prove, when an allegation that the defendant is "doing business" in the District would suffice?

And it would be futile for the defendant to rely upon the special venue provision in a patent infringement suit because the privilege or protection which that section was designed to afford would no longer exist. In fact, it appears to us that the theory which intervenor would have us embrace would make the patent venue section more inclusive than the general corporate venue section.

In the Stonite case (315 U. S. 561), the court held that a general venue statute must give way to Sec. 48, the special statute relating to venue in patent infringement suits. The court reasoned that the special statute was not affected by general provisions, that the former was adopted "to define the exact jurisdiction of the federal courts in actions to enforce patent rights," and that such purpose indicated that Congress did not intend "to dovetail with the general provisions relating to the venue of civil suits, but rather that it alone should control venue in patent infringement proceedings." True, this decision was prior to the adoption of the present Code and is, therefore, not decisive of the instant question, but the rationale which the court employed is, in our opinion, pertinent to the present situation. Especially is this so when no purpose to change the existing law is evidenced by a reading of the two sections under consideration or by the Reviser's Notes shown in connection therewith. And it doesn't seem likely that Congress would have made such an important departure from the law as it then existed relative to venue in patent infringement cases without so stating.

Intervenor's argument that the residence of a corporation was not defined in Sec. 1400 (b) and that resort must, therefore, be had to Sec. 1391 (c) at least has the virtue of some plausibility; however, we think the argument must be rejected on the basis that the latter section is without application. Moreover, as heretofore stated, the Reviser's Notes unmistakably disclose that the only change made in the patent venue section as it then existed was one of

phraseology and not of substance. In fact, the only change made pertinent to the question under discussion, as stated in the Reviser's Notes (following Sec. 1400), is as follows:

> "Words in subsection (b) 'where the defendant resides' were substituted for 'of which the defendant is an inhabitant.' A corresponding change was made in subsection (a). Words 'inhabitant' and 'resident,' as respects venue, are synonymous."

We think there is disclosed an unmistakable intention as well as purpose neither to enlarge nor diminish the venue in patent infringement suits but to leave it as it then existed, and that means, of course, that under the first alternative of the section a defendant corporation can be sued only in the place of its incorporation.

Intervenor places much stress upon *Ex Parte Collett*, 337 U. S. 55, and asserts that practically every argument advanced by the petitioner here was made by the petitioner in that case and rejected by the Supreme Court. We are of the view that the reasoning of the Collett case is inapplicable here, and in any event not controlling. There, the court held that Sec. 1404 (a), relating to the right to transfer, was applicable to Sec. 6 of the Federal Employers' Liability Act, which determined venue in actions thereunder. Relative thereto, the court stated (page 60):

> "Section 6 of the Liability Act defines the proper forum; § 1404 (a) of the Code deals with the right to transfer an action properly brought. The two sections deal with two separate and distinct problems. Section 1404 (a) does not limit or otherwise modify any right granted in § 6 of the Liability Act or elsewhere to bring suit in a particular district. An action may still be brought in any court, state or federal, in which it might have been brought previously."

We think it apparent that the situation before the court in that case was quite different from that of the instant case. There, the court was dealing with two sections, one which bestowed venue and the other which provided for transfer when venue was properly laid, and the latter did not "limit or otherwise modify any right granted in" the former. Thus the court gave effect to both provisions because they were not inconsistent and neither provision abridged any right contained in the other. In contrast, the two sections in the instant matter both relate to venue and they cannot be applied, as intervenor would have us do, without making one section dependent upon the other and, as already shown, this would result for all practical purposes in the emasculation of Sec. 1400 (b).

The instant question has been before the District Courts in a number of cases, some precisely in point and others persuasive because of their close analogy. The weight of such decisions militates strongly against the intervenor's position. One of the best reasoned opinions is that of District Judge Harrison in *Gulf Research & Development Co. et al. v. Schlumberger Well Surveying Corp.*, 92 F. Supp. 17. Among other things he stated (page 19), "The Reviser's Notes make it evident that today, 1400 (b) stands in the same situation as did Section 109 at the time of the Stonite opinion in 1942 and that the Stonite case is just as much in point now as then," and "I hold that Section 1391 (c) is not complementary to Section 1400 (b); that the word 'resides' in Section 1400 (b) means the same as the word 'inhabitant' in the former Section 109, and that the interpretation placed upon said former Section 109 applies to its revision as set forth in the revised Section 1400 (b)." This opinion is also interesting from the fact that Judge Harrison reached a result opposite to that reached by two of his associates on the same court. *Farr Co. v. Gratiot et al.*, 92 F. Supp. 320, and *Radio Corp. of America v. Paramount Pictures, Inc.* (P. C. S. D. Cal. 1950), an un-

reported decision. The opinion in the Farr case was written by District Judge Hall. The opinions in these two cases, that is, in Gulf and Farr, written by Judges in the same District, contain about all that can be said on the opposing sides of the controversy. We think Judge Harrison reached the right result.

In *Nachtman v. Jones & Laughlin Steel Corp.*, 90 F. Supp. 739, the court held that Sec. 1400 (b) was not enlarged by Sec. 1391 (c) and that to do so would completely nullify "the specific venue statute relative to patent infringement suits."

In *Fischer v. Karl et al.*, 84 F. Supp. 53, 55 the court stated:

> "In a word, to grant this motion would be to render 28 U. S. C. A. § 1400 (b) completely meaningless. If Congress intended that the venue provisions of 28 U. S. C. A. § 1392 (a) here invoked were applicable to patent suits, it is impossible to conceive why it was found necessary to enact new 28 U. S. C. A. § 1400 (b), which, at least in the case at bar, is a limitation of venue specifically applicable to the cause."

We cite without further comment the other cases which support in one form or another petitioner's position. *Ackerman v. Hook et al.*, 183 F. 2d 11; *Arkay Infants Wear, Inc. v. Kline's, Inc. et al.*, 85 F. Supp. 98; *Rava v. Westinghouse Electric Corp.*, 90 F. Supp. 707; *Curtis et al. v. Madovoy et al.*, 84 F. Supp. 637; *Aetna Ball & Roller Bearing Co. v. The Federal Bearing Co., Inc.*, decided by Judge Igoe in the Northern District of Illinois (not reported).

Holding as we do that venue was improperly laid, the relief sought by the petitioner must be granted. Title 28 U. S. C. A. Sec. 1406 (a) undoubtedly is applicable to the situation. It provides:

> "The district court of a district in which is filed a case laying venue in the wrong division or district

shall dismiss, or if it be in the interest of justice, transfer such case to any district or division in which it could have been brought."

Thus, two alternatives are provided, (1) a dismissal of the case or (2) if it be in the interest of justice, a transfer to the appropriate District. Respondent, therefore, is directed to give effect to one or the other of such alternatives, without prejudice to his right to decide which it shall be.

Lindley, C. J. dissenting—

The problem here seems to me a simple one. Sec. 1400 (b) of Title 28 U. S. C. provides, in its very first clause, that an action "for patent infringement may be brought in the judicial district where the defendant resides." Sec. 1391 (c) of Title 28 U. S. C. prescribes that the district in which a corporation is incorporated or licensed to do business or is doing business "shall be regarded as the residence of such corporation for venue purposes." The intervenor, plaintiff below, averred in its complaint that defendant, petitioner here, is a corporation licensed to do business in Illinois and is doing business within the Northern District of Illinois, thus bringing defendant within the class of corporate defendants whose residence is, by virtue of Sec. 1391 (c), within the Northern District of Illinois. It seems to me that the District Court could not have done other than it did without doing violence to the clear provisions of the two sections. Inasmuch as defendant is a resident of the Northern District of Illinois, by virtue of the express provisions of Sec. 1391 (c), plaintiff had a right, under Sec. 1400 (b), to bring the suit in that District. To hold otherwise seems to me to require that we interpolate at the end of Sec. 1391 (c) the phrase "except in patent infringement cases." To do so is beyond our function. I would deny the petition.

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IN THE

Supreme Court of the United States

OCTOBER TERM, A. D. 1951

No. [redacted] 24

GULF RESEARCH & DEVELOPMENT COMPANY, WELEX JET SERVICES, INC., and BYRON JACKSON CO.,

Petitioners,

v.

THE HONORABLE PAUL LEAHY, UNITED STATES DISTRICT JUDGE,

and

SCHLUMBERGER WELL SURVEYING CORPORATION,

Respondents.

BRIEF FOR RESPONDENTS IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

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IN THE

Supreme Court of the United States

OCTOBER TERM, A. D. 1951

No. 645

GULF RESEARCH & DEVELOPMENT COMPANY, WELEX JET SERVICES, INC., and BYRON JACKSON CO.,
Petitioners,

v.

THE HONORABLE PAUL LEAHY, UNITED STATES DISTRICT JUDGE,

and

SCHLUMBERGER WELL SURVEYING CORPORATION,
Respondents.

BRIEF FOR RESPONDENTS IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

Opinions Below

The opinion of the Court of Appeals for the Third Circuit (R. 41) is reported at 193 F. (2d) 302. The opinion of the District Court (R. 21) from which these proceedings arise is reported under the name of *Gulf et al.* v. *Schlumberger,* at 98 F. Supp. 198.

Jurisdiction

The jurisdiction of this Court is invoked under Title 28 U.S.C. §1254(1).

Questions Presented

On the basis of the proceedings below, the respondents submit that the questions presented here are:

Where a patent infringement action, commenced in one district, has been transferred to a different district by an interlocutory order under the provisions of Title 28 U.S.C. §1406(a), which by statute is reviewable only on appeal from final judgment, is it proper for the Court of Appeals for the district court of the transferee district to hold that the extraordinary remedy of a writ of mandamus is inappropriate

1. to compel the district court of the transferee district to reexamine the previously adjudicated issue (of venue) on a motion to retransfer the action where such judge has held that the considerations for the orderly administration of justice compelled him not to do so, or, in the alternative,

2. to review in advance of trial, the venue issue as adjudicated by the district court for the transferor district, where the statute permits appellate review of interlocutory orders only on appeal from final judgment?

Statement of the Case

This is a petition for a writ of certiorari to review an order of the Court of Appeals for the Third Circuit denying a petition for a writ of mandamus directed to respondent Hon. Paul Leahy, Chief Judge of the United States District Court for the District of Delaware. Mandamus was sought in the Court below to review an interlocutory order entered by Judge Leahy in an action entitled *Gulf Research & Development Company, Welex Jet Services,*

Inc. and Byron Jackson Co. v. *Schlumberger Well Surveying Corporation*,[1] Civil Action No. 1342 in the United States District Court for the District of Delaware.

The statutes involved in this case are Title 28 U.S.C. §1400(b), §1391(c) and §1406(a). Title 28 U.S.C. §1404(a) is referred to extensively in the argument. These four sections of the statute are printed in Appendix A (*infra* p. 21).

Gulf et al. v. *Schlumberger* is an ordinary civil action for patent infringement, in which petitioners are plaintiffs and respondent Schlumberger Well Surveying Corporation[2] is defendant. The complaint (R. 7) was filed on March 20, 1950, in the United States District Court for the Southern District of California, Central Division. On April 10, 1950, Schlumberger moved under the provisions of Title 28 U.S.C. §1406(a) to dismiss the complaint because venue as laid in the California District Court did not satisfy the venue requirements of Title 28 U.S.C. §1400(b) for patent infringement actions (R. 9). Judge Benjamin Harrison of the United States District Court for the Southern District of California, Central Division, heard the motion and ruled that venue was improper, *Gulf Research & Development Company, Welex Jet Services, Inc. and Byron Jackson Co.* v. *Schlumberger Well Surveying Corporation* (D.C. S.D. Cal., C.D., 1950), 92 F. Supp. 16 (R. 11). Instead of dismissing the complaint, however, he transferred the case, as he was authorized so to do by Title 28 U.S.C. §1406(a), to the District of Delaware where Schlumberger was incorporated and where venue was and is proper (R. 32).

Before the transfer order was executed, petitioners applied to and obtained leave of the Court of Appeals for

1. Hereinafter referred to as *Gulf et al.* v. *Schlumberger*.
2. Hereinafter referred to as Schlumberger.

the Ninth Circuit to file a petition for a writ of mandamus or prohibition directed to Judge Harrison to compel him to vacate and set aside this order on the ground that his ruling on venue was in error. This petition was denied (R. 16) on the ground that petitioners alleged nothing more than an erroneous application of law which would be reviewable on appeal to the Court of Appeals for the Third Circuit, after final judgment; hence, the case was not an appropriate one for mandamus. *Gulf Research & Development Company, Welex Jet Services, Inc., and Byron Jackson Co.* v. *Harrison* (C.A. 9, 1950), 185 F. (2d) 457.

No effort was made to obtain a rehearing by the Court of Appeals for the Ninth Circuit or to have its order denying the petition for writ of mandamus or prohibition reviewed by this Court.

In due course, the files of the *Gulf et al.* v. *Schlumberger* case were transferred to and the action docketed in the Delaware District Court on January 2, 1951. On January 3, 1951, petitioners moved (R. 20) the Delaware District Court to retransfer the action back to the California District Court on the grounds that venue in the Southern District of California was proper and the transfer to the Delaware District Court was improper and contrary to law. Judge Leahy of the Delaware District Court denied this motion without passing on the merits of the venue issue. He held that while he had the power to review Judge Harrison's determination of the venue issue, the considerations which give rise to the doctrine of the law of the case, the principles of the rule of comity and considerations for the orderly functioning of the judicial process compelled the conclusion that he should not reexamine this previously litigated and adjudicated issue, *Gulf Research & Development Company, Welex Jet Services, Inc.,*

and Byron Jackson Co. v. *Schlumberger Well Surveying Corporation* (D.C. D. Del., 1951), 98 F. Supp. 198 (Opinion R. 16, Order R. 27).

Petitioners thereupon filed in the Court of Appeals for the Third Circuit their petition for a writ of mandamus to compel Judge Leahy to set aside his order denying the motion to retransfer the case and to consider petitioners' motion on its merits, or, in the alternative, to direct Judge Leahy to grant the motion (R. 1).

The Court of Appeals denied this petition. It held (R. 41) that the case presented by petitioners was not an appropriate one for the extraordinary remedy of mandamus. It pointed out that petitioners' assertion of error in Judge Harrison's determination of the venue issue which formed the basis of petitioner's motion in the Delaware District Court to retransfer the case was in the nature of a venue objection which petitioners will be entitled to assert on appeal after final judgment. It concluded that, since such an appeal will be just as adequate as in any other case where an objection to venue is overruled by the trial court, there were no extraordinary circumstances in the petition before it which justified resort to the extraordinary remedy of mandamus, *Gulf Research & Development Company, Welex Jet Services, Inc. and Byron Jackson Co.* v. *Leahy* (C.A. 3, 1951), 193 F. (2d) 302. The present petition is directed to the order of the Court of Appeals for the Third Circuit (R. 48) denying that petition for a writ of mandamus.

Venue is the only issue thus far litigated in the *Gulf et al.* v. *Schlumberger* case. It was raised on April 10, 1950, when Schlumberger filed its motion (R. 9) under the provisions of Title 28 U.S.C. §1406(a) to dismiss the complaint on the ground that the venue as laid in the Southern District of California did not conform to the venue require-

ments for patent infringement actions as specified in Title 28 U.S.C. §1400(b). This motion was heard and decided by Judge Harrison of the Southern California District Court. He held (R. 11) that venue in patent infringement actions is controlled exclusively by Title 28 U.S.C. §1400(b); that under the rationale of the decision of this Court in *Stonite Co.* v. *Melvin Lloyd Co.* (1942), 315 U. S. 561, the general venue provisions of Title 28 U.S.C. §1391, including the provisions of subsection (c) thereof, were not complementary to Section 1400(b); that the revised Judicial Code did not enlarge the venue of patent infringement actions against corporate defendants; that such action would lie against a corporate defendant only in the district in which such defendant was incorporated, or the district in which such defendant had committed acts of infringement and had a regular and established place of business; that Schlumberger, being a corporation of the State of Delaware, is a resident of the District of Delaware within the meaning of Title 28 U.S.C. §1400(b); that while Schlumberger was doing business in the District of California, it had not committed acts of infringement in that District[3]; and that the Southern District of California satisfied neither of the alternative requirements for venue in patent infringement actions as specified in Title 28 U.S.C. §1400 (b).

Instead of dismissing the complaint, Judge Harrison adopted the alternative available to him under the provisions of Title 28 U.S.C. §1406(a), and ordered the case transferred to the District of Delaware, the district in which Schlumberger was incorporated and where, admittedly, venue is proper (R. 32). This order was entered

3. The complaint does not allege that Schlumberger has committed acts of infringement in the Southern District of California, and in all of the Courts below petitioners conceded that no such acts had been committed in that district.

August 19, 1950. Since that date the entire effort of petitioners here has been to have Judge Harrison's ruling on venue reviewed in advance of trial.

Summary of Argument

The questions presented by the petition in this case relate to the proper use of the writ of mandamus in place of an appeal for the review of interlocutory orders by Courts of Appeals, and more specifically, to such orders determining the venue of patent infringement actions against corporate defendants under the revised Judicial Code. Neither question presents a case appropriate for review by this Court on writ of certiorari. The decision of the Court of Appeals for the Third Circuit on the mandamus question was in accord with and required by the applicable decisions of this Court. The venue question is not ripe for consideration here. In the circumstances, review of the decision of the Court below on a writ of certiorari would merely afford petitioners a further hearing on questions previously adjudicated adversely to them by the Court of Appeals for the Ninth Circuit as well as by the Court below. This would be contrary to the stated policy of this Court. *Magnum Co.* v. *Coty* (1922), 262 U. S. 159, 163; *Layne & Bowler Corporation* v. *Western Well Works, Inc. et al.* (1923), 261 U. S. 387, 393; *Wilkerson* v. *McCarthy* (1949), 336 U. S. 53, 67.

Argument

The Court of Appeals for the Third Circuit Properly Denied the Petition for a Writ of Mandamus.

The sole purpose of the petition for a writ of mandamus in the Court below was to have Judge Harrison's ruling

on venue in the *Gulf et al.* v. *Schlumberger* case reviewed in advance of trial. While the route followed was circuitous—the petition in terms asked that a writ be directed to respondent, Judge Leahy, to set aside his order denying petitioners' motion in the Delaware District Court which, in effect, sought a review of Judge Harrison's ruling by Judge Leahy—there can be no doubt as to the real purpose of the proceedings in the Court below.

Judge Harrison's ruling on the venue question in issue here is embodied in his order under Title 28 U.S.C. §1406 (a) transferring the case to the Delaware district (R. 32). That order and the order of respondent, Judge Leahy, denying petitioners' motion in the Delaware District Court to retransfer the case to California (R. 27) are both admittedly interlocutory (Petition, p. 7). By statute, each is reviewable on appeal, but only after final judgment, Title 28 U.S.C. §1291. Each order was clearly within the judicial powers of the respective Judges. Judge Harrison had the power to rule on the venue issue in the case as filed in the District Court for the Southern District of California, and to transfer the case to the Delaware District upon his finding that venue in the California District was improper, Title 28 U.S.C. §1406(a). Judge Leahy had the power to deny petitioners' motion to retransfer the case. The petition below alleged merely error in the exercise of these conceded judicial powers. Under the applicable decisions of this Court, mandamus was not an appropriate remedy on the case presented to the Court below.

This Court has held on numerous occasions that mandamus is an extraordinary remedy, reserved for really extraordinary cases. *Ex Parte Fahey* (1947), 332 U. S. 258, 260. It may "not be availed of to correct a mere error in the exercise of conceded judicial power", *De*

Beers Mines v. *United States* (1945), 325 U. S. 212, 217. It may not be used as a substitute for an authorized appeal. *Ex Parte Fahey, supra; Roche* v. *Evaporated Milk Assn.* (1942), 319 U. S. 21. As this Court said in *U. S. Alkali Assn.* v. *United States* (1945), 325 U. S. 196, 203, in language that seems to be conclusive with respect to the decision of the Court below:

> "• • • In such cases appellate courts are reluctant to interfere with decisions of lower courts, even on jurisdictional questions, which they are competent to decide and which are reviewable in the regular course of appeal. In re Tampa Suburban R. Co., supra; Ex parte Harding, 219 U. S. 363, 369; Roche *v.* Evaporated Milk Assn., supra, 30-31, and cases cited; cf. Stoll *v.* Gottlieb, 305 U. S. 165; Treinies *v.* Sunshine Mining Co., 308 U. S. 66. The writs may not be used as a substitute for an authorized appeal; and where, as here, the statutory scheme permits appellate review of interlocutory orders only on appeal from the final judgment, review by certiorari or other extraordinary writ is not permissible in the face of the plain indication of the legislative purpose to avoid piecemeal reviews. • • •"

It is only in cases where the appeal provided by statute is clearly inadequate that resort to the remedy of mandamus is proper, *Ex Parte Fahey, supra.* Inadequacy of the remedy provided by appeal is not shown by inconvenience or hardship on litigants required to await the statutory appeal, *Roche* v. *Evaporated Milk Assn., supra; U. S. Alkali Assn.* v. *United States, supra.* On this issue *Ex Parte Park Square Automobile Station* (1917), 244 U. S. 412, is particularly apt. That case involved a petition to this Court for a writ of mandamus to set aside an order of the Northern New York District Court denying a motion to remand to the New Hampshire District Court a case

removed from the New Hampshire State Courts to the District Court for the Northern District of New York. In spite of what appeared to be a clearly erroneous construction of the removal statute by the New York District Court in asserting jurisdiction, and in spite of the inconvenience which would result to petitioners in awaiting an appeal from final judgment, the Court held that (at p. 416):

> "* * * however grave may be the inconvenience arising in this particular case from the construction which the court gave to the statute and upon which it based its assertion of jurisdiction, greater inconvenience in many other cases would necessarily come from now departing from the established rule and reviewing the action of the court by resort to a writ of mandamus instead of leaving the correction of the error to the orderly methods of review established by law."

The principles established by the applicable decisions of this Court, of which the cases cited above are illustrative, are clear and unqualified. Adherence to these principles required the Court below to hold mandamus inappropriate on the petition presented to it (Petition, pp. 6-10).

Notwithstanding adherence by the Court below to the applicable decisions of this Court, petitioners assert that the writ should be granted here because of an alleged conflict of decisions between Courts of Appeals of the different circuits on the mandamus question.

In this regard, there are, in all, three decisions of Courts of Appeals involving petitions for writs of mandamus to review transfer orders under Title 28 U.S.C. §1406(a); namely, the decision of the Court of Appeals for the Third Circuit in *Gulf Research & Development Company et al.* v. *Leahy, supra,* involved in these proceedings, the decision of the Court of Appeals for the Ninth Circuit in *Gulf Re-*

search & Development Company et al. v. *Harrison* (C.A. 9, 1950), 185 F. (2d) 457, and the decision of the Court of Appeals for the Seventh Circuit in *C-O-Two Fire Equipment Co.* v. *Barnes* (C.A. 7, 1952), —— F. (2d) ——. (See Petition Appendix B, p. 16.)

The *Gulf Research & Development Company et al.* v. *Harrison* case in the Ninth Circuit and the *Gulf Research & Development Company et al.* v. *Leahy* case in the Third Circuit (in issue here) each involved an attempt by petitioners here to review Judge Harrison's transfer order in the *Gulf et al.* v. *Schlumberger* case. The decisions of the Court below and the Court of Appeals for the Ninth Circuit in these two cases are in full accord. In each instance the Court of Appeals held that the case was not an appropriate one for the issuance of a writ of mandamus because petitioners merely alleged an erroneous application of law for which the statutes provided an adequate remedy by way of appeal after final judgment (R. 16, 41).

The *C-O-Two Fire Equipment Co.* v. *Barnes* case arose from a patent infringement action entitled *Cardox Corporation* v. *C-O-Two Fire Equipment Co.*, C.A. No. 51 C 1007, in the United States District Court for the Northern District of Illinois. The defendant, C-O-Two Fire Equipment Co., brought a motion under Title 28 U.S.C. §1406(a) to dismiss the complaint, or, in the alternative, to transfer the case to another district, on the ground that venue as laid in the Illinois District Court was improper. Judge Barnes denied the motion. (See Transcript of Proceedings, *Cardox Corporation* v. *C-O-Two Fire Equipment Co.*, printed in Appendix B, *infra* p. 22.) Defendant filed its petition in the Court of Appeals for the Seventh Circuit for a writ of mandamus directed to Judge Barnes to set aside his order denying defendant's motion and to either dismiss the complaint or to transfer the case as requested by the motion.

The Court of Appeals for the Seventh Circuit entertained the petition and granted the writ. To the extent therefore that an order under Title 28 U.S.C. §1406(a) was reviewed by mandamus in the *C-O-Two* case and was denied review by mandamus in the Court below, the two decisions are in "conflict". It does not follow, however, that there is such a "real and embarrassing conflict of opinion and authority" between the circuits as would warrant review by this Court. *Layne & Bowler Corporation* v. *Western Well Works, Inc., et al., supra.*

On the contrary, it appears from the decision in *C-O-Two Fire Equipment Co.* v. *Barnes* that the Court concluded that mandamus was appropriate there merely on the basis of its acceptance of petitioner's assertion and intervenor's concession that the remedy was appropriate. On this issue the Court of Appeals for the Seventh Circuit merely said:

> "In the beginning, we conclude that this court has the power to issue the writ of mandamus and, if petitioner is correct in its position, that it is an appropriate case for the exercise of such power. *Ford Motor Co. et al.* v. *Ryan*, 182 F. 2d 329, 330; *Paramount Pictures, Inc. et al.* v. *Rodney*, 186 F. 2d 111, 116. *Cf. Ex Parte Collett*, 337 U. S. 55. We need not labor this point, however, because intervenor in its brief raises no question in this respect and in oral argument conceded both the power of the court and the appropriateness of the remedy." (Appendix B, Petition p. 18)

The principles controlling the proper use of mandamus by Courts of Appeals which were considered and held controlling in the Court below were not referred to by the Court of Appeals for the Seventh Circuit. In these circumstances, respondents submit that the decision in *C-O-Two Fire Equipment Co.* v. *Barnes* does not afford a reason for granting the writ in the present case.

There is the further consideration that the two cases (*Gulf Research & Development Company et al.* v. *Leahy* and *C-O-Two Fire Equipment Co.* v. *Barnes*) are clearly distinguishable on their facts. In the *Gulf Research & Development Company et al.* v. *Leahy* case, the order in issue transferred the *Gulf et al.* v. *Schlumberger* case to a court which had jurisdiction and in which the action admittedly could have been brought in the first instance. In *C-O-Two Fire Equipment Co.* v. *Barnes,* the order reviewed retained the case in a court in which, if petitioner there was correct in its position, the venue of the action was improperly laid in the first instance. This is analogous to the situation which obtained in the cases of *Foster-Milburn Co.* v. *Knight* (C.A. 2, 1950), 181 F. (2d) 949, *Shapiro* v. *Bonanza Hotel Co., Inc.* (C.A. 9, 1950), 185 F. (2d) 777, and *Fettig Canning Co.* v. *Steckler* (C.A. 7, 1951), 188 F. (2d) 715, involving transfer orders under Title 28 U.S.C. §1404(a) (see Petition pp. 6-8). With respect to *Foster-Milburn Co.* v. *Knight, supra,* the Court of Appeals for the Ninth Circuit in *Gulf Research & Development Company et al.* v. *Harrison, supra,* footnote 7 (R. 19) said:

> "The alleged error is to be distinguished from that involved in Foster-Milburn Co. *v.* Knight, 2 Cir. 1950, 180 F. 2d 949. The order reviewed in that case purported to transfer the case to a court which would not have jurisdiction over the parties. The error was therefore not merely potentially reversible error on appeal, but would render void any final judgment ultimately obtained, and may be regarded as analogous to a refusal to exercise effectively jurisdiction properly invoked."

This language applies with equal force to *C-O-Two Fire Equipment Co.* v. *Barnes, supra, Shapiro* v. *Bonanza Hotel*

Co., Inc., supra, and *Fettig Canning Co.* v. *Steckler, supra*. Even the circumstances attending these cases did not warrant departure from the restriction governing the use of mandamus laid down in the applicable decisions of this Court. Cf. *Ex Parte Park Square Automobile Station, supra,* and the cases discussed above (this brief pp. 8-10).

The other cases relied upon by petitioners (Petition pp. 7-8) to support the contention that the decision of the Court below conflicts with decisions of other circuits on the same matter are: *Magnetic Engineering & Mfg. Co.* v. *Dings Mfg. Co.* (C.A. 2, 1950), 178 F. (2d) 866, *Ford Motor Co.* v. *Ryan* (C.A. 2, 1950), 182 F. (2d) 329, *Paramount Pictures* v. *Rodney* (C.A. 3, 1950), 186 F. (2d) 111, *Atlantic Coastline R. Co.* v. *Davis* (C.A. 5, 1950), 185 F. (2d) 766, and *Nicol* v. *Koscinski* (C.A. 6, 1951), 188 F. (2d) 537. These cases all have to do with situations where the district court transferred or refused to transfer an action under the provisions of Title 28 U.S.C. §1404(a) to suit the conveniences of the parties and witnesses as to the place of trial. Each involved an "issue which in its nature must be reviewed before trial, if at all", *Pennsylvania Turnpike Commission* v. *Welsh* (C.A. 3, 1951), 188 F. (2d) 447, 449, footnote 2. These cases are wholly irrelevant to the questions presented on this petition.

The Underlying Venue Question Does Not Afford a Basis for Review of the Decision of the Court of Appeals for the Third Circuit on Writ of Certiorari.

Petitioners advance as a further reason for granting the writ in this case, the contention that an early and definitive ruling by this Court on the underlying venue issue is essential to the orderly administration of justice (Petition, p. 10). This argument is without merit.

Judge Harrison's transfer order under Title 28 U.S.C. §1406(a), adjudicating the venue issue in the *Gulf et al.* v. *Schlumberger* case (R. 32), is admittedly interlocutory (Petition, p. 7). It is reviewable on appeal only after final judgment, Title 28 U.S.C. §1291. It has not been reviewed by any Court of Appeals. Two such Courts have refused to review it on petitions for writs of mandamus (the Court of Appeals for the Ninth Circuit (R. 16) and the Court of Appeals for the Third Circuit (R. 41)). Each petition was denied on the authority of the decisions of this Court in *Ex Parte Fahey, supra, U. S. Alkali Assn.* v. *United States, supra*, and *Roche* v. *Evaporated Milk Assn., supra.* The principles announced by this Court in the cases cited have for their basis the considerations for the orderly administration of justice, *Ex Parte Park Square Automobile Station, supra.* Inherent in these considerations is the rule that in "the usual case this Court will decline to issue a writ prior to review in the Circuit Court of Appeals" in cases where an appeal normally lies to such court, *U. S. Alkali Assn.* v. *United States, supra* (at p. 202).

These circumstances make it apparent that the venue question, apart from the mandamus questions, is not ripe for consideration here. If the Court of Appeals properly held that mandamus was inappropriate to review the venue question, certainly that same venue question cannot now be advanced as a reason for this Court to grant a writ of certiorari to review the decision of the Court of Appeals denying mandamus.

In this regard the cases of *Ex Parte Collett* (1949), 337 U. S. 55, *Kilpatrick* v. *Texas & Pacific R. Co.* (1949), 337 U. S. 75, and *United States* v. *National City Lines, Inc.* (1949), 337 U. S. 78, cited by petitioners (Petition, p. 13), are not in point. These cases did not involve petitions for

writs of certiorari to review decisions of Courts of Appeals holding mandamus inappropriate to review the questions in issue. Each of the cited cases came up on a petition for a writ of mandamus directly to this Court and involved entirely different considerations looking toward the orderly administration of justice. (Cf. *Ex Parte Park Square Automobile Station, supra.*)

In the present case, there is the further consideration that no conflict or confusion, such as was present in the *Collett* case, exists in the lower courts on the venue question which petitioners seek to have this Court review.

The Court of Appeals for the Seventh Circuit in the case of *C-O-Two Fire Equipment Co.* v. *Barnes, supra,* has settled the question for that circuit. Prior to that decision of the Court of Appeals for the Seventh Circuit, the District Court for the Northern District of Illinois had decided the question in three cases, namely, *Sponge Products* v. *Fuller Brush Company* (D.C. N.D. Ill., E.D., 1951), C.A. No. 51 C 382, unreported; *Aetna Ball & Roller Bearing Co.* v. *The Federal Bearing Company, Inc.* (D.C. N.D. Ill., E.D., 1950), C.A. No. 50 C 857, unreported; and *Cardox Corporation* v. *C-O-Two Fire Equipment Company,* C.A. No. 51 C 1007, unreported. The *Cardox* case, from which *C-O-Two Fire Equipment Co.* v. *Barnes* stemmed, and the *Sponge Products* v. *Fuller Brush Company* case, were both decided by Judge Barnes adversely to the decision of Judge Harrison in the *Gulf et al.* v. *Schlumberger* case. The decision in the *Aetna* case by Judge Igoe was in accord with Judge Harrison's ruling. This conflict, of course, has been resolved by the decision in the *C-O-Two Fire Equipment* case.

No other Court of Appeals has passed on the question. The question has been decided by the District Court for the Southern District of Florida, Tampa Division, in *Dal-*

ton v. *Shakespeare Company* (D.C. S.D. Fla., 1951), No. 1884-Civ. T (unreported), and by the District Court for the District of Columbia in *Nachtman* v. *Jones & Laughlin Steel Corporation* (D.C. D. of C., 1950), 90 F. Supp. 739. In each of these cases, and in *C-O-Two Fire Equipment Co.* v. *Barnes*, the decisions of the respective Courts are in full accord with the decision of Judge Harrison in the *Gulf et al.* v. *Schlumberger* case.

The only conflict which exists today is in the decisions of different judges of the District Court for the Southern District of California in the Ninth Circuit. In that district, in addition to Judge Harrison's determination of the question in the *Gulf et al.* v. *Schlumberger* case, Judges Mathes and Hall passed on the question in *Radio Corporation of America* v. *Paramount Pictures, Inc. et al.* (D.C. S.D. Cal., C.D., 1950), C.A. No. 8070-WM, unreported, and *Farr Co.* v. *Gratiot* (D.C. S.D. Cal., C.D., 1950), 92 F. Supp. 320. In the last named cases the decisions are contrary to that of Judge Harrison. Both cases were decided prior to Judge Harrison's decision in the *Gulf et al.* v. *Schlumberger* case. Both were considered and rejected by him in the *Gulf et al.* v. *Schlumberger* case. All three of these decisions in the District Court for the Southern District of California were considered by the Court of Appeals for the Seventh Circuit in the *C-O-Two Fire Equipment Co.* v. *Barnes* case, *supra*. There the Court of Appeals, in adopting the views of Judge Harrison on the question in issue, said:

> "The instant question has been before the District Courts in a number of cases, some precisely in point and other persuasive because of their close analogy. The weight of such decisions militates strongly against the intervenor's position. One of the best reasoned opinions is that of District Judge Harrison in Gulf Research & Development Co. et al. *v.*

> Schlumberger Well Surveying Corp., 92 F. Supp. 17. * * * This opinion is also interesting from the fact that Judge Harrison reached a result opposite to that reached by two of his associates on the same court. Farr Co. *v.* Gratiot et al., 92 F. Supp. 320, and Radio Corp. of America *v.* Paramount Pictures, Inc. (P.C. S.D. Cal. 1950), an unreported decision. The opinion in the Farr case was written by District Judge Hall. The opinions in these two cases, that is, in Gulf and Farr, written by Judges in the same District, contain about all that can be said on the opposing sides of the controversy. We think Judge Harrison reached the right result."

Maintaining consistency of decisions in the District Court for the Southern District of California is the task of the Court of Appeals for the Ninth Circuit. In *Gulf Research & Development Company et al.* v. *Harrison, supra,* (R. 16, 20), that Court considered the decisions of the Southern California District Court on which petitioners rely here and which were urged there as a reason for granting mandamus. It held that the lack of uniformity of decision within a given district on the venue question did not justify a review of Judge Harrison's transfer order by way of mandamus. No effort was made by petitioners to have that decision reviewed by this Court. In these circumstances, it would seem clear that conflict of decisions on the venue question within the District Court for the Southern District of California in the Ninth Circuit does not warrant the issuance of a writ of certiorari to the Court of Appeals for the Third Circuit.

The other cases relied on by petitioners are not in point. The case of *Bagner* v. *Blidberg Rothchild Co.* (D.C. E.D. Pa., 1949), 84 F. Supp. 973, and *Bounds* v. *Streckfus Steamers* (D.C. D. Del., 1950), 89 F. Supp. 242, involved actions under the Jones Act, Title 46 U.S.C. §688. The *Bounds* case merely followed the *Bagner* case and in the

Bagner case the Court said, in effect, that the interpretation of Section 51 of the Judicial Code of 1911 (Section 112 of Title 28, U.S.C., 1940 ed.) controlled the interpretation of the venue provisions of the Jones Act prior to the revision of the Code; and that when Section 112 was modified by the revision of the Code, that in turn changed the interpretation of the Jones Act. No such argument can be advanced here in the face of the decision of this Court in *Stonite Co.* v. *Melvin Lloyd Co., supra.*

Lipp v. *National Screen Service Corp.* (D.C. E.D. Pa., 1950), 95 F. Supp. 66, holds that Title 28 U.S.C. §1391(c) modified Section 12 of the Clayton Act, Title 15 U.S.C. §22, so as to make proper an anti-trust action against a foreign corporation which is not doing business in the district but which is licensed to do business there. In so holding, the Court stated (95 F. Supp. at p. 69) that anti-trust plaintiffs

> "* * * are not deprived of the benefits of these general venue provisions * * *. The venue provisions of the anti-trust laws were enacted to give anti-trust plaintiffs special venue privileges in addition to those granted by general venue statutes."

This reasoning does not apply to the case at bar. *Stonite Co.* v. *Melvin Lloyd Co., supra.*

Conclusion

The petition is without merit and should be denied.

Respectfully submitted,

WORTHINGTON CAMPBELL,
E. ENNALLS BERL,
MARK N. DONOHUE,
Counsel for Respondents.

April 9, 1952.

APPENDIX A

(Portions of revised Title 28, U. S. Code)

§1391. Venue generally.

* * *

(c) A corporation may be sued in any judicial district in which it is incorporated or licensed to do business or is doing business, and such judicial district shall be regarded as the residence of such corporation for venue purposes.

§1400. Patents and copyrights.

* * *

(b) Any civil action for patent infringement may be brought in the judicial district where the defendant resides, or where the defendant has committed acts of infringement and has a regular and established place of business.

§1404. Change of venue.

(a) For the convenience of parties and witnesses, in the interest of justice, a district court may transfer any civil action to any other district or division where it might have been brought.

§1406. Cure or waiver of defects.

(a) The district court of a district in which is filed a case laying venue in the wrong division or district shall dismiss, or if it be in the interest of justice, transfer such case to any district or division in which it could have been brought.

APPENDIX B

UNITED STATES OF AMERICA
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

IN THE

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF ILLINOIS

EASTERN DIVISION

CARDOX CORPORATION, *Plaintiff,* vs. C-O-TWO FIRE EQUIPMENT COMPANY, *Defendant,*	Civil Action No. 51 C 1007.

TRANSCRIPT OF PROCEEDINGS

had in the above-entitled cause before the Honorable John P. Barnes, one of the Judges of said Court, in his court room in the United States Court House at Chicago, Illinois, on October 15, 1951 at 10:00 'clock a.m.

APPEARANCES:

HAIGHT, GOLDSTEIN & HAIGHT,
(209 S. LaSalle st., Chicago 4, Ill.),
by John W. Hofeldt, Esq., for plaintiff;

DAWSON & OOMS,
(209 S. LaSalle st., Chicago 4, Ill.),

IRVING HERRIOTT, Esq.,
Montgomery, Hart, Pritchard & Herriott,
(120 S. LaSalle st., Chicago 3, Ill.),

R. MORTON ADAMS,
Pennie, Edmonds, Morton, Barrows & Taylor
Edward T. Connors
(247 Park Avenue, New York 17, N. Y.), for defendant.

And thereupon the following proceedings were had herein:—

By the Clerk: No. 51 C 1007. Cardox Corporation v. C-O-Two Fire Equipment Company.

By Mr. Herriott: This is a motion, if the Court please, to dismiss an action for patent infringement because we claim the venue is not properly laid.

Briefs have been filed.

By the Court: I have read them.

Whose motion is it?

By Mr. Herriott: It is my motion, for the defendant.

By the Court: You contend that this is a special statute; that is your contention?

By Mr. Herriott: That the patent venue statute is special.

By the Court: I am against you.

By Mr. Herriott: I did not hear that last, your Honor.

By the Court: I am against you.

By Mr. Herriott: I would like to be heard for a moment, if the Court please.

By the Court: This is not the first time I have had it. I will hear you very briefly, but I am against you.

Who is associated with you?

By Mr. Herriott: Ooms & Ooms.

By the Court: Oh. They argued that question once.

By Mr. Herriott: I am familiar with that case.

By the Court: I recall that case.

Is he here?

By Mr. Herriott: I don't think he is here. He said he would be.

By the Court: That is too bad, because he is hoist on his own petard, because he asserted in a formal order something that I did not say in deciding a case.

By Mr. Herriott: And it wasn't necessary to be passed on?

By the Court: And it wasn't necessary to be passed on. But nevertheless I am against you.

By Mr. Herriott: Well, if your Honor feels that way about it—

By the Court: I think that the general statute controls. I am against you.

By Mr. Herriott: Except, may I just make this one statement, that if the general statute defining residence of a corporation applies to patent infringement—

By the Court: There is a later statute.

I am against you. I would just be glad to have you send that question up.

By Mr. Herriott: I want to make this one additional statement, that if the general statute is controlling then the patent venue statute is meaningless.

By the Court: Maybe so. But I am going to enforce it until I get reversed.

By Mr. Herriott: The motion will be denied?

By the Court: Motion denied.

You tell your associate what I said, will you?

By Mr. Herriott: I shall.

I was retained in the case by New York patent counsel.

By the Court: He put that provision in that order. I didn't say anything about it because it was unnecessary to the decision. But he put it in there. I would have liked to tell him about it. You tell him.

By Mr. Herriott: I shall.

Your Honor, we want time to answer.

By the Court: How much time?

By Mr. Herriott: Could we have thirty days?

By the Court: Thirty days.

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IN THE

Supreme Court of the United States

October Term, 1952.

No. 24

GULF RESEARCH & DEVELOPMENT COMPANY, WELEX JET SERVICES, INC., and BYRON JACKSON CO.,

Petitioners,

vs.

THE HONORABLE PAUL LEAHY, United States District Judge, and SCHLUMBERGER WELL SURVEYING CORPORATION,

Respondents.

BRIEF FOR PETITIONERS.

Opinions of the Courts Below.

The opinion of the Court of Appeals for the Third Circuit [R. 41] is reported at 193 F. 2d 302. The opinion of the District Court for the District of Delaware [R. 21] from which these proceedings arise is reported *sub nom. Gulf Research & Development Company, et al. v. Schlumberger Well Surveying Corporation*, 98 F. Supp. 198.

The opinion of the District Court for the Southern District of California [R. 11], holding venue in that district improper in these proceedings, is reported at 92 F. Supp. 16. The opinion of the Court of Appeals for the Ninth Circuit [R. 16], denying the petition of petitioners herein for a writ of mandamus or prohibition to

Judge Harrison of the District Court for the Southern District of California to withdraw his order of transfer, is reported at 185 F. 2d 457.

Jurisdiction.

The order of the Court of Appeals for the Third Circuit was entered on December 13, 1951 [R. 48.] The petition for a writ of certiorari was allowed by an order of this Court filed April 21, 1952 [R. 49]. The jurisdiction of this Court is invoked under Title 28, U. S. C., Section 1254(1).

Statutes Involved.

The statutes involved are the following portions of revised Title 28, U. S. C.:

> "§1254. Courts of appeals; certiorari; appeal, certified questions.
>
> Cases in the courts of appeals may be reviewed by the Supreme Court by the following methods:
>
> (1) By writ of certiorari granted upon the petition of any party to any civil or criminal case, before or after rendition of judgment or decree;
>
> * * * * * * * *"

> "§1391. Venue generally.
>
> * * * * * * * *
>
> (c) A corporation may be sued in any judicial district in which it is incorporated or licensed to do business or is doing business, and such judicial district shall be regarded as the residence of such corporation for venue purposes.
>
> * * * * * * * *"

"§1400. Patents and copyrights.

* * * * * * * *

(b) Any civil action for patent infringement may be brought in the judicial district where the defendant resides, or where the defendant has committed acts of infringement and has a regular and established place of business."

"§1651. Writs.

(a) The Supreme Court and all courts established by Act of Congress may issue all writs necessary or appropriate in aid of their respective jurisdictions and agreeable to the usages and principles of law.

* * * * * * * *"

Statement of the Case.

The instant proceedings arise out of an action for patent infringement [R. 7] which was filed by petitioners on March 20, 1950, in the Southern District of California, Central Division, and entitled *Gulf Research & Development Company, Welex Jet Services, Inc. and Byron Jackson Co. v. Schlumberger Well Surveying Corporation*, Civil Action No. 11,264-BH. On April 10, 1950, the defendant (intervenor in these proceedings and hereafter referred to as "Schlumberger") filed a motion [R. 9] to dismiss the complaint under revised Title 28, U. S. C., Section 1406(a), for want of proper venue. Judge Harrison of the District Court for the Southern District of California, Central Division, did not dismiss the action but ordered [R. 32] the transfer thereof to the United States District Court for the District of Delaware. *Gulf Research & Development Co. et al. v. Schlumberger Well Surveying Corporation* (D. C. S. D. Cal., 1950), 92 F. Supp. 16 [R. 11]. Judge Harrison's order of transfer was not based upon any showing of *forum non conveniens*,

Schlumberger having made no motion to transfer under Section 1404(a) of Title 28, U. S. C. On the contrary, Schlumberger moved to dismiss under Section 1406(a) on the ground that petitioners herein in their complaint had not alleged that Schlumberger had committed acts of infringement and had a regular and established place of business in the Southern District of California and that venue was therefore improper. The sole basis for Judge Harrison's transfer of the case to Delaware was that Schlumberger was incorporated under the laws of that state with the result that proper venue could have been laid in the District of Delaware had the action originally been brought there. No acts of infringement in Delaware are asserted, nor does it appear from the record in the case that the defendant Schlumberger has any place of business or is doing business in the State of Delaware. Moreover, as set forth in the complaint, while plaintiffs Gulf Research & Development Company and Byron Jackson Co. are incorporated under the laws of the State of Delaware, their principal places of business are Pittsburgh, Pennsylvania, and Los Angeles, California, respectively. The third plaintiff, Welex Jet Services, Inc., is incorporated under the laws of the State of Texas and has its principal place of business in Fort Worth, Texas.

There was no issue of fact before Judge Harrison, and his ruling was based solely upon a point of law. Schlumberger admitted that it was doing business in the Southern District of California, and for the purpose of Schlumberger's motion and for the purpose of the instant petition, petitioners admit that Schlumberger had committed no acts of infringement therein.

Judge Harrison's ruling did not involve the exercise of discretion. The only question before him was whether,

under the venue provisions of revised Title 28, U. S. C. (effective September 1, 1948), the statutory definition of corporate residence as including the judicial district in which a corporate defendant is doing business applies to an action for patent infringement. Judge Harrison held that it does not and that these venue provisions require that patent infringement actions against a corporation be brought either in the state of its incorporation or where the corporation has committed acts of infringement and has a regular and established place of business. It is petitioners' contention that, while such was the rule under the old Judicial Code, revised Title 28, U. S. C. changes the venue requirements in patent infringement actions against corporations so that such actions may be brought against a corporation in any district in which it is doing business. Thus, revised Title 28, U. S. C., Section 1400(b) establishes venue requirements in patent infringement actions. It reads:

> "(b) Any civil action for patent infringement may be brought in the judicial district where the defendant resides, or where the defendant has committed acts of infringement and has a regular and established place of business."

In the case of corporate defendants, revised Title 28, U. S. C., Section 1391(c) provides that a corporation is a resident of any judicial district in which it is doing business. This subsection reads:

> "(c) A corporation may be sued in any judicial district in which it is incorporated or licensed to do business or is doing business, and such judicial district shall be regarded as the residence of such corporation for venue purposes."

Petitioners contend that since Schlumberger was concededly doing business in the Southern District of California under Section 1391(c), it resides, for venue purposes, in that district. As a resident of such district, it could properly be sued there for patent infringement under Section 1400(b). Petitioners therefore contend that Judge Harrison's holding that venue was improper was erroneous and accordingly that he had no power to transfer the action to the District of Delaware under Section 1406(a) of revised Title 28, U. S. C.

Following the signing of the order transferring the case to Delaware [R. 32], petitioners filed an application to the Court of Appeals for the Ninth Circuit for leave to file a petition for writ of mandamus or prohibition directing Judge Harrison to withdraw his order for transfer. This application was granted, and on November 20, 1950, that court rendered its opinion denying the petition [R. 16]. *Gulf Research & Development Company et al. v. Harrison* (9 Cir., 1950), 185 F. 2d 457. The ground for such denial was that the case was not such an extraordinary one as to justify issuance of the writ. No consideration whatever was given to the merits of the underlying venue question.

Immediately after the transfer of the case to the United States District Court for the District of Delaware, petitioners moved [R. 20] to transfer the case back to the Southern District of California, on the ground that proper venue was in the Southern District of California, and that the case had been transferred to the District of Delaware improperly and contrary to law. Judge Leahy of the District Court for the District of Delaware denied petitioners' motion to transfer [R. 21] on the ground that for him to review Judge Harrison's earlier ruling

"would be a usurpation of an appellate function" [R. 21, 26]. *Gulf Research & Development Company et al. v. Schlumberger Well Surveying Corporation* (D. C. Del., 1951), 98 F. Supp. 198, 201. Again, no consideration was given to the merits of the underlying venue question or the validity of Judge Harrison's order of transfer.

Petitioners then filed, in the Court of Appeals for the Third Circuit, a petition for a writ of mandamus to Judge Leahy [R. 1], directing him to set aside his order denying petitioners' motion to transfer and to consider petitioners' motion on its merits or, in the alternative, to grant such motion. Schlumberger was granted leave to intervene pursuant to an order dated July 30, 1951 [R. 38]. The Court of Appeals for the Third Circuit in an opinion filed December 13, 1951 [R. 41] denied this petition on the ground that the original transfer order would be reviewable on appeal after final judgment, and therefore an appropriate case for mandamus was not presented. *Gulf Research & Development Company et al. v. Leahy* (3 Cir., 1951), 193 F. 2d 302. The court relied upon the authority of *Ex parte Fahey* (1947), 332 U. S. 258, 91 L. Ed. 2041; *Roche v. Evaporated Milk Assn.* (1943), 319 U. S. 21, 87 L. Ed. 1185; and *U. S. Alkali Export Assn. v. United States* (1945), 325 U. S. 196, 89 L. Ed. 1554.

Thereafter, on ~~April~~ March 12, 1952, petitioners filed in this Court a petition for a writ of certiorari to the Court of Appeals for the Third Circuit, which petition was granted on April 21, 1952 [R. 49]. In said petition it was pointed out that the venue question here involved had frequently arisen in the district courts but that such courts were in hopeless conflict. At the time the petition was filed, the only known decision on the question by any

court of appeals was that by the Seventh Circuit in *C-O-Two Fire Equipment Company v. Barnes* (1952), 194 F. 2d 410. The court held, in a split decision, that the new definition of corporate residence for venue purposes contained in Section 1391(c) of revised Title 28, U. S. C., does not apply to actions for patent infringement under Section 1400(b). On April 21, 1952, this Court granted certiorari in the *C-O-Two* case. *Cardox Corp. v. C-O-Two Fire Equipment Co.* (No. 646, 1952), ... U. S. ....., 96 L. Ed. 579. On April 18, 1952, the Court of Appeals for the Fifth Circuit rendered a decision in *Dalton v. Shakespeare Co.*, 196 F. 2d 469, which is directly contrary to that of the Court of Appeals for the Seventh Circuit in the *C-O-Two* case, with the result that there now exists, in addition to the hopeless confusion on the point in the district courts, a square conflict between the Courts of Appeals for the Fifth and Seventh Circuits. No petition for a writ of certiorari was filed in the *Dalton* case and the mandate for the Court of Appeals for the Fifth Circuit has issued there.

Throughout these proceedings it has been petitioners' contention that venue was properly laid in the Southern District of California. Revised Title 28, U. S. C., Section 1406(a) under which Judge Harrison of the District Court for such District purported to act, empowers the court to transfer an action only when venue is laid in the wrong district. Accordingly, petitioners contend that Judge Harrison was without power to transfer the action from the Southern District of California to the District

of Delaware. Petitioners have unsuccessfully sought a review of Judge Harrison's transfer order by petition for a writ of mandamus or prohibition in the Court of Appeals for the Ninth Circuit; they have moved the retransfer of the action from the District of Delaware by motion in the District Court of such district; and they have petitioned for writ of mandamus in the Court of Appeals for the Third Circuit. Each of these courts has refused to consider the question on its merits. The Delaware District Court held simply that the question was one for an appellate court, and both courts of appeals held that the case was not an appropriate one for mandamus. As conceded by the Court of Appeals for the Third Circuit in its opinion [R. 41], its decision conflicts in principle with the decisions of the Court of Appeals for the Second Circuit in *Foster-Milburn Co., et al. v. Knight* (1950), 181 F. 2d 949, the decision of the Court of Appeals for the Ninth Circuit in *Shapiro v. Bonanza Hotel Co.* (1950), 185 F. 2d 777, and with the decision of the Court of Appeals for the Seventh Circuit in *Fettig Canning Co. v. Steckler* (1951), 188 F. 2d 715, certiorari denied 341 U. S. 951, 95 L. Ed. 1373. In each of these cases, the courts held that an order granting or denying a motion to transfer was reviewable on mandamus where the question presented was the power of the district court to effect the transfer sought. Further, the decision below conflicts with that of the Court of Appeals for the Seventh Circuit in *C-O-Two Fire Equipment Company v. Barnes* (1952), 194 F. 2d 410, certiorari granted .....

U. S. ....., 96 L. Ed. 579, wherein the court issued its writ of mandamus directing either a transfer or a dismissal of an action under Section 1406(a) where the district court had held venue properly laid in a patent infringement action because the defendant corporation was doing business in the district.

Specification of Errors.

Petitioners rely upon and urge as error:

1. The refusal by the court below to rule upon the question: Whether under the venue provisions of revised Title 28, U. S. C., Sections 1391(c) and 1400(b), venue is properly laid against a corporate defendant in a patent infringement action in any district in which the corporation is doing business.

2. The refusal of the court below to order a retransfer to the Southern District of California of the underlying patent infringement action on the ground that the District Court of such district had no power to transfer the action to the District of Delaware.

3. The ruling of the court below upon the question: Where an action has been transferred purportedly under revised Title 28, U. S. C., Section 1406(a) and where it is contended that as a matter of law the district court had no power to make such transfer, is mandamus proper to compel the district court in the transferee district to determine the legality of the transfer?

SUMMARY OF ARGUMENT.

I.

Revised Title 28, U. S. C. Broadens Venue as to Corporate Defendants in Patent Infringement Actions.

A. Under the Plain Language of the Venue Provisions of Revised Title 28, a Corporation May Be Sued for Patent Infringement in Any District in Which It Is Doing Business.

Revised Title 28, U. S. C., Section 1400(b) covers venue in patent infringement actions. It provides that such actions may be brought "where the defendant resides, or where the defendant has committed acts of infringement and has a regular and established place of business." This section differs from Section 109 of the old Judicial Code which it supplants in that Section 1400(b) specifies as one alternative for proper venue the district in which the defendant "resides." Section 109 had specified the district in which the defendant was "an inhabitant." The term "inhabitant" had uniformily been interpreted by judicial decision to mean only the state of incorporation of a corporate defendant. *Bulldog Electric Prod. Co. v. Cole Electric Prod. Co.* (2 Cir. 1943), 134 F. 2d 545, 547. The new term "resides," as applicable to corporations, is, however, defined specifically by statute in a new provision in revised Title 28, U. S. C., Section 1391(c):

> "(c) A corporation may be sued in any judicial district in which it is incorporated or licensed to do business or is doing business, and such judicial dis-

trict shall be regarded as the residence of such corporation for venue purposes."

Thus, under new Section 1400(b), a corporation can be sued for patent infringement in any district in which it resides; and under Section 1391(c), a corporation is a resident for venue purposes of any district in which it is doing business. The defendant, Schlumberger, has conceded that it is doing business in the Southern District of California. Under the plain language of the venue provisions of the revised Title 28, it is amenable to venue in such district.

B. Ignoring the Plain Terms of the Statute in the Manner Urged by Schlumberger Renders the Venue Provisions of New Title 28 Inconsistent and Illogical.

Schlumberger urges and Judge Harrison has held in *Gulf Research & Development Company et al. v. Schlumberger Well Surveying Corporation* (D. C. S. D. Cal.), Civil Action No. 11,264-BH [R. 32], that the term "resides" in Section 1400(b) does not mean "doing business" as required by Section 1391(c), but rather means only the state of incorporation of a corporate defendant. Such interpretation is wholly illogical and renders the venue provisions of revised Title 28 inconsistent and confusing.

The venue provisions of revised Title 28 are contained in Chapter 87 which is entitled "District Courts; Venue." In subsection (c) of the first section of this chapter, Section 1391, the residence of a corporate defendant for venue purposes is specifically defined. In the succeeding special venue sections and subsections of Chapter 87, the term "residence" or "resides" is specified as a basis for venue in no less than eleven instances. Thus, Congress,

after generally defining corporate residence for venue purposes in the first section of Chapter 87, has repeatedly used the term throughout the remaining sections of the chapter. Section 1391(c) not only specifies the district in which a corporation may be sued, but also contains an express definition of corporate residence for venue purposes. If this definition is applied to none of the special venue sections in Chapter 87, it is utterly meaningless. To apply the definition to some but not all of the succeeding special venue sections is wholly illogical. Moreover, such an interpretation is contrary to one of the principal underlying purposes in the enactment of revised Title 28, that is, to make Federal laws of procedure clear, uniform and consistent. Thus, a difficult problem of construing the language of the majority of the venue provisions of revised Title 28 would be presented even though such language is expressly and clearly defined in the revised Code itself.

C. There Is No Justification for Treating Corporations Differently in Patent Infringement Actions Than in Other Types of Actions.

In enacting Section 1391(c), Congress recognized that the extended activities of corporations had reached the point at which the rule that corporations could be sued on Federal causes of action only in the state of their incorporation was outmoded. Thus, Congress recognized that many corporations are incorporated in districts remote from their activities, and that to permit suit against them only in such remote districts produced intolerable results. To eliminate the fiction that a corporation existed only in the state of its incorporation and to adopt the rational view that a corporation was present where its activities occurred, Congress enacted Section 1391(c) per-

mitting suit against a corporation in any judicial district in which it is incorporated or licensed to do business or is doing business. The need for broadening venue as to corporations and eliminating the fiction of corporate existence only in the state of incorporation is no different in patent infringement actions than in any other type. There is no basis whatever for any assumption that Congress intended to eliminate the corporate fiction for other types of actions but intended to preserve such fiction for patent infringement actions.

D. The Statute Is Clear and Unambiguous and Should Not Be Rewritten by Speculation as to Some Undisclosed Congressional Intent.

The sole question presented is the meaning of a word in a statute, yet that word is defined in unequivocal terms in that same statute. The clear and unambiguous language specifically defined and then repeatedly used throughout the statute must be taken as the final expression of Congressional intent. To apply a different meaning to the words "residence" or "resides" in certain provisions of sections of Chapter 87 of revised Title 28 than the definition contained in Section 1391(c) is simply to rewrite the statute by judicial legislation. Since the intent of Congress is clear from the language used, and since the application of the statute as written would not lead to absurd or futile results but on the contrary is plainly in accordance with the policy of the legislation as a whole, no question of statutory construction is presented, and it is the duty of the courts to apply the statute as written.

E. Even Were a Question of Construction Presented Here, the Legislative History of Revised Title 28 Wholly Fails to Establish That No Venue Change Was Intended in Patent Infringement Actions.

Schlumberger urges that revised Title 28 is merely a revision and codification of the prior law and that no change in the law is intended unless such change is expressly set forth in the Revisers' Notes following each section of the code. The short answer is that the statute and not the Revisers' Notes states the law. In addition, as evidenced by their subsequent writings, even the Revisers themselves did not contemplate such a rule of construction.

F. The Case of Stonite Products Co. v. Melvin Lloyd Has No Bearing on the Question Here Presented.

Stonite Products Co. v. Melvin Lloyd (1942), 315 U. S. 561, 86 L. Ed. 1026, held that Section 109 of the old Judicial Code was exclusive in so far as venue in patent infringement actions was concerned, and that such venue was not enlarged by the old general venue section (113). The *Stonite* case has no bearing on the question here presented. The case involved two inconsistent venue sections, and the only question presented was which controlled. This Court held that the special patent venue section controlled. In the instant case, two inconsistent sections are not involved. Petitioners concede that Section 1400(b) is the exclusive section governing venue in patent infringement cases. In applying Section 1400(b), however, the question is presented as to the meaning of the term "resides" appearing therein. This question is resolved by reference to Section 1391(c) wherein the term is specifically defined.

G. This Court Should Direct a Retransfer of the Case to the Southern District of California, Thereby Disposing of all Questions Presented by the Instant Petition.

It is petitioners' contention that the underlying patent infringement action between petitioners and Schlumberger was properly brought in the Southern District of California, and that the transfer of such action to the District of Delaware was made without statutory sanction or authority. It was to rectify such error that petitioners filed a petition for a writ of mandamus or prohibition in the Ninth Circuit, moved for retransfer in the District Court for the District of Delaware, filed a petition for a writ of mandamus in the Court of Appeals for the Third Circuit, and finally filed the instant petition for a writ of certiorari. The granting of the writ by this Court brings before it the entire case for examination. It is well settled that on certiorari this Court may rectify any error that may have occurred in the interlocutory proceedings. Accordingly, this Court may direct a retransfer of the case to the Southern District of California, thereby correcting the initial error on the part of the District Court for the Southern District of California and disposing of all questions presented on the instant writ. The direct conflict between the Courts of Appeals for the Fifth and Seventh Circuits and the extensive confusion in the district courts on the venue question presented demonstrates the importance of the question in the administration of justice and the interpretation of revised Title 28, U. S. C. Under such circumstances, a direct ruling upon the venue question by this Court is particularly appropriate.

II.

The Court of Appeals for the Third Circuit Erred in Denying to Issue a Writ of Mandamus.

A. The Court of Appeals Has the Power to Issue the Requested Writ.

The writ requested was in aid of the appellate jurisdiction of the Court of Appeals for the Third Circuit and accordingly the court had the power to issue such writ under Section 1651(a) of revised Title 28, U. S. C.

B. The Court of Appeals Erred in Holding the Case Inappropriate for a Writ of Mandamus.

The granting or denial of a motion to transfer under the new Judicial Code, being interlocutory, is not appealable. Moreover, an erroneous ruling transferring or refusing to transfer will not normally be correctable on appeal after trial, with the result that a litigant may be wholly deprived of his statutory venue privilege by an improper transfer or denial of transfer. Such circumstances fully justify the issuance of a writ of mandamus by an appellate court to review such an order.

C. The Importance of the Question.

An additional reason justifying issuance of a writ of mandamus by the Court of Appeals for the Third Circuit is the extraordinary nature of the question presented. Thus, hopeless confusion in the district courts as to proper venue in patent infringement actions, which confusion is aggravated by the frequency with which the question has

arisen, establishes that the writ was sought not merely as a substitute for appeal in a situation wherein Congress had declared appeal would not lie, but rather was sought under circumstances of an extraordinary nature. The importance of the point presented clearly rendered mandamus appropriate.

D. The Decision of the Court of Appeals Holding Mandamus Inappropriate Is Contrary to the Decisions of This Court and to the Majority of Decisions of the Courts of Appeals of Other Circuits.

Contrary to the decision of the Court of Appeals, this Court has recently exercised its power under revised Title 28, U. S. C., Section 1651(a) to review the power of a district court to transfer an action. *Ex parte Collett* (1949), 337 U. S. 55, 93 L. Ed. 1207; *Kilpatrick v. Texas & P. R. Co.* (1949), 337 U. S. 75, 93 L. Ed. 1223; *United States v. National City Lines* (1949), 337 U. S. 78, 93 L. Ed. 1226. Moreover, the decision of the Court of Appeals is contrary to the great majority of decisions in the other courts of appeals which have ruled on the question.

ARGUMENT.

I.

Revised Title 28, U. S. C. Broadens Venue as to Corporate Defendants in Patent Infringement Actions.

A. Under the Plain Language of the Venue Provisions of Revised Title 28, a Corporation May Be Sued for Patent Infringement in Any District in Which It Is Doing Business.

Section 1400(b) of revised Title 28, U. S. C. establishes venue requirements in patent infringement actions. It provides:

> "§1400. Patents and copyrights.
>
> * * * * * * * *
>
> (b) Any civil action for patent infringement may be brought in the judicial district where the defendant resides, or where the defendant has committed acts of infringement and has a regular and established place of business."

This section differs from Section 109 of the old Judicial Code which it supplants in that it provides for venue of a defendant in patent infringement actions in the district in which the defendant *"resides"* rather than, as formerly stated, the district in which the defendant is *"an inhabitant."* The term "inhabitant" had been interpreted uniformly to mean only the state of incorporation where a corporation was involved. *Bulldog Electric Prod. Co. v. Cole Electric Prod. Co.* (2 Cir. 1943), 134 F. 2d 545, 547. New Section 1400(b) therefore provides two bases for proper venue. One of these is that a defendant may be sued in a district wherein the defendant resides.

Revised Title 28 also differs from the old Judicial Code in that it includes a new section relating solely to venue in the case of corporate defendants. Section 1391 provides in part:

> "§1391. Venue generally.
>
> * * * * * * * *
>
> (c) A corporation may be sued in any judicial district in which it is incorporated or licensed to do business or is doing business, and such judicial district shall be regarded as the residence of such corporation for venue purposes."

Thus, two pertinent changes appear in revised Title 28. "Inhabitants," as a basis for venue in patent infringement actions, has been replaced by the term "resides," and corporate residence for venue purposes has been specifically defined as including any district in which a corporation is incorporated or licensed to do business or is doing business.

Despite the clear language used in revised Title 28, the point here involved has been the subject of sharp disagreement in the lower courts, and the decisions are substantially evenly divided as to whether the definition of corporate residence for venue purposes in Section 1391(c) is applicable to patent infringement actions under Section 1400(b). Petitioners submit that for the reasons to be set forth herein, those decisions holding the definition inapplicable are not well reasoned.

The point has been decided by only two Courts of Appeals, those for the Fifth and Seventh Circuits. In *Dalton v. Shakespeare Co.* (5 Cir. 1952), 196 F. 2d 469, it was held that the definition of corporate residence for

venue purposes is applicable to patent infringement actions. In noting the conflicting decisions and the various arguments presented, the court ably summarized the situation at page 472:

> "* * * Indeed it seems to us that the difficulties arise not out of the words the statute used but out of the strained efforts to make them read otherwise than as they do.
>
> * * * * * * * *
>
> "If Congress had intended the definition of Section 1391(c) to be limited to certain types of actions, congress would, we think, have plainly said so. If, on the contrary, congress had intended to provide that corporations are, for venue purposes, residents of those districts in which they are doing business, regardless of the particular wrong with which the corporation may be charged, it, by using the word 'residence' in Section 1391(c) and 'resides' in Section 1400(b), certainly took the right course to do so."

The Court of Appeals for the Seventh Circuit, in the case of *C-O-Two Fire Equipment Co. v. Barnes* (1952), 194 F. 2d 410, held to the contrary, reaching the conclusion that venue in patent infringement actions was not broadened by the new Judicial Code. Unlike the *Dalton* case, however, the decision was not unanimous, and as stated by Judge Lindley, dissenting, at page 416:

> "* * * Inasmuch as defendant is a resident of the Northern District of Illinois, by virtue of the express provisions of Sec. 1391(c), plaintiff had a right, under Sec. 1400(b), to bring the suit in that District. To hold otherwise seems to me to require that we interpolate at the end of Sec. 1391(c) the

phrase 'except in patent infringement cases.' To do so is beyond our function."

It should be noted that the *Dalton* case was decided after the *C-O-Two* case and that the Court of Appeals for the Fifth Circuit expressly repudiated the reasoning of the majority in the latter case.[3]

Eight known district court decisions deal with the question, four of which agree with the *Dalton* case[4] and four of which are contra.[5]

As distinguished from the above case authority, the known commentators who have considered the question are in agreement that the Section 1391(c) definition is applicable to Section 1400(b). Thus, Professor James Wm. Moore, a member of the Revision Staff for the new Judicial Code, in discussing Section 1391(c), states in his

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[3]In *Dalton v. Shakespeare Co.* (5 Cir., 1952), 196 F. 2d 469, at 472, the court stated: "* * * the reliance on the plain language of the statutes evidenced in Judge Farr's [Hall's] opinion [*Farr v. Gratiot et al.* (D. C. S. D. Cal. 1950), 92 F. Supp. 320] and in the dissenting opinion of Judge Lindley, commends itself to us."

[4]*Radio Corporation of America v. Paramount Pictures, Inc., et al.* (D. C., S. D. Cal., 1950), Civil Action No. 8070-WM, unreported; *Farr v. Gratiot, et al.* (D. C., S. D. Cal., 1950), 92 F. Supp. 320; *Sponge Products v. Fuller Brush Co.* (D. C., N. D. Ill., 1951), Civil Action No. 51 C 382, unreported; *Cardox v. C-O-Two* (D. C., N. D. Ill., 1951), Civil Action No. 51 C 1007, unreported, reversed *sub nom. C-O-Two Fire Equipment Company v. Barnes,* No. 10512 (7 Cir., 1952), 194 F. 2d 410.

[5]*Gulf Research & Development Company, et al. v. Schlumberger Well Surveying Corp.* (D. C., S. D. Cal., 1950), 92 F. Supp. 16; *Dalton v. Shakespeare Co.* (D. C., S. D. Fla., 1951), Case No. 1884-Civil Tampa, unreported, reversed (5 Cir., 1952), 196 F. 2d 469; *Aetna Ball & Roller Bearing Co. v. The Federal Bearing Co., Inc.* (D. C., N. D. Ill., 1950), Civil Action No. 50 C 857, unreported; *Nachtman v. Jones & Laughlin Steel Corp.* (D. C., D. of C., 1950), 90 F. Supp. 739.

Commentary on the U. S. Judicial Code (1949), at page 194:

> "This is a provision of general applicability to a corporate defendant, whether the case be one governed by a general venue provision, or by a special venue provision within Title 28, such as § 1400(b) governing a patent infringement action, or by a special venue provision contained in some other title of the United States Code."

To the same effect, see *The Federal Judicial Code of 1948* by Edward L. Barrett, Jr., Associate Professor of Law, School of Jurisprudence, University of California, appearing in the Journal of the State Bar of California, Vol. XXIII, page 324, wherein the author states, at page 333:

> "The express provision that the district in which a corporation is licensed to do business or is doing business 'shall be regarded as the residence of such corporation for venue purposes' should apply in all the special venue statutes."

The above authorities are concerned with the specific question as to whether the definition of corporate residence for venue purposes set forth in Section 1391(c) applies to one of the special venue sections, Section 1400(b) of revised Title 28. The broader question as to whether such definition is applicable to actions, the venue of which is governed by statutes which are separate and distinct from revised Title 28, has also frequently arisen. Even though such application of Section 1391(c) is considerably more extensive than that here urged, since Section 1400(b) appears in the same chapter of the same statute as the Section 1391(c) definition, the decisions of the courts are not in conflict and uniformly hold the definition ap-

plies. The following decisions hold that such definition is applicable to actions brought by merchant seamen to recover damages under the Jones Act (Title 46, U. S. C. Section 688): *Bagner v. Blidberg Rothchild Co.* (D. C. E. D. Pa. 1949), 84 F. Supp. 973; *Bounds v. Streckfus Steamers* (D. C. D. Del. 1950), 89 F. Supp. 242; *Mincy v. Detroit & Cleveland Navigation Co.* (D. C. S. D. N. Y. 1950), 94 F. Supp. 456; and *Phillips v. Pope & Talbot, Inc.* (D. C. S. D. N. Y. 1952), 102 F. Supp. 51.

Similarly, in *Lipp et al. v. National Screen Service Corp* (D. C. E. D. Pa. 1950), 95 F. Supp. 66, it was held that Section 1391(c) of the new Judicial Code is applicable to actions brought under the Clayton Act, for which venue is governed by Title 15, U. S. C., Section 22.

This Court has recently had before it a strikingly similar question in *Ex parte Collett* (1949), 337 U. S. 55, 93 L. Ed. 1207. In that case, the district court had ordered transferred under Section 1404(a) an action brought under the Federal Employers' Liability Act. The question presented was whether revised Title 28 empowered the district court to make such a transfer. This Court had earlier held the doctrine of *forum non conveniens* inapplicable to such cases. *Baltimore & O. R. Co. v. Kepner* (1941), 314 U. S. 44, 86 L. Ed. 28. The identical argument to that urged here was made, that is, that to interpret revised Title 28 as authorizing such a transfer would be to hold that the revision changed the law and Congress intended no such change. Section 1404(a) authorizes the transfer of "any civil action." In holding

this language applicable to cases under the Federal Employers' Liability Act, this Court stated 337 U. S. 58, 93 L. Ed. 1210:

> "The court below relied on the language of §1404(a), *supra*, which it regarded as 'unambiguous, direct, clear.' We agree. The reach of 'any civil action' is unmistakable. The phrase is used without qualification, without hint that some should be excluded. * * *"

Thus, this Court has held that the clear language of revised Title 28 is to be given effect and that it cannot be ignored on the ground that Congress did not intend to change the law. For similar holdings by this Court, see *Kilpatrick v. Texas & P. Ry. Co.* (1949), 337 U. S. 75, 93 L. Ed. 1223, and *United States v. National City Lines* (1949), 337 U. S. 78, 93 L. Ed. 1226. In the latter case, this Court held that revised Title 28 changed the law, and authorized transfer for convenience of actions brought under the antitrust laws.

This Court has refused to speculate as to some undisclosed Congressional intent and to read an exception into the language "any civil action" in Section 1404(a). For the same reason, there is no justification for reading an exception into the definition of corporate residence in Section 1391(c).

Judge Harrison purported to act under Section 1406(a) of revised Title 28. This section provides:

> "(a) The district court of a district in which is filed a case laying venue in the wrong division or dis-

trict shall dismiss, or if it be in the interest of justice, transfer such case to any district or division in which it could have been brought."

The statute empowers a district court to transfer a case only where venue is laid in the wrong division or district. *Riley v. Union Pacific R. Co.* (7 Cir. 1949), 177 F. 2d 673, certiorari denied 338 U. S. 911, 94 L. Ed. 561. Under the clear language of the venue provisions of revised Title 28, venue in the instant case was properly laid in the Southern District of California. Accordingly, Judge Harrison had no power to transfer the case to the District of Delaware. Petitioners submit that the case should be remanded to the Southern District of California.

B. Ignoring the Plain Terms of the Statute in the Manner Urged by Schlumberger Renders the Venue Provisions of New Title 28 Inconsistent and Illogical.

In his decision in *Gulf Research & Development Co. et al. v. Schlumberger Well Surveying Corporation* (D. C. S. D. Cal. 1950), 92 F. Supp. 16 [R. 32], Judge Harrison held that the definition of corporate residence set forth in Section 1391(c) is inapplicable to Section 1400(b), and that the term "resides" in Section 1400(b) is limited to mean only the state of incorporation of such a defendant. Such conclusion is wholly illogical and renders the venue provisions of the revised Title 28 conflicting and inconsistent.

Chapter 87 of the new Judicial Code is entitled "DISTRICT COURTS; VENUE." The first section of that chapter, Section 1391, entitled "Venue Generally," reads as follows:

"(a) A civil action wherein jurisdiction is founded only on diversity of citizenship may, except

as otherwise provided by law, be brought only in the judicial district where all plaintiffs or all defendants reside.

"(b) A civil action wherein jurisdiction is not founded solely on diversity of citizenship may be brought only in the judicial district where all defendants reside, except as otherwise provided by law.

"(c) A corporation may be sued in any judicial district in which it is incorporated or licensed to do business or is doing business, and such judicial district shall be regarded as the residence of such corporation for venue purposes.

"(d) An alien may be sued in any district."

Section 1391(a) is directed to diversity jurisdiction actions and Section 1391(b) is directed to cases arising under the Federal laws which are not the subject of some special venue section. Unlike paragraphs (a) and (b), Sections 1391(c) and 1391(d) are not concerned with types of actions, but rather with types of defendants. Thus, in the first section of Chapter 87, Congress has, in paragraphs (a) and (b), prescribed the venue requirements as to certain specified types of actions and, in paragraphs (c) and (d), prescribed the venue requirements as to certain types of defendants without regard to the type of action involved. In addition, Congress has specified in paragraph (c) in unequivocal terms that *for venue purposes* the residence of a corporate defendant is "any judicial district in which it is incorporated or licensed to do business or is doing business." Following Section 1391, Chapter 87 contains a number of sections setting forth venue requirements in various types of actions over which the district courts have

jurisdiction. In these sections, the term "residence" or "resides" is frequently used.[6]

Thus, Congress, after generally defining "residence" for venue purposes in the first section of Chapter 87, has repeatedly used the term throughout the remaining sections of the chapter. It is a well established rule of construction that a term used repeatedly throughout a statute should be given the same meaning in each of its appearances. *Pampanga Sugar Mills v. Wenceslao Trinidad* (1929), 279 U. S. 211, 73 L. Ed. 665. To disregard such rule is utterly illogical, particularly where that term is expressly defined in the first section of such a statute.

Obviously, the definition of corporate residence in Section 1391(c) has no application to actions under Section 1391(a) and Section 1391(b) since the first clause of Section 1391(c) states affirmatively the districts in which a corporation may be sued. If the definition is applied to none of the special venue sections in Chapter 87, the definition is itself meaningless and its inclusion in Section 1391(c) superfluous. Accordingly, the only effect the definitive portion of Section 1391(c) can have is to define corporate residence in the succeed-

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[6]"Residence" or "resides" is specified as a basis for venue in Section 1392(a) relating to actions involving multiple defendants in different districts; Section 1393(a) relating to actions involving districts containing more than one division; Section 1393(b) relating to actions involving defendants residing in different divisions of the same district or different districts in the same state; Section 1395(e) relating to proceedings for forfeiture; Section 1396 relating to actions for the collection of internal revenue taxes; Section 1397 relating to interpleader actions; Section 1398 relating to actions to enforce Interstate Commerce Commission's orders; Section 1400(a) relating to actions on copyrights; Section 1400(b) relating to actions for patent infringement; Section 1402(a) relating to actions against the United States; and Section 1402(b) relating to tort claims against the United States.

ing venue sections of Chapter 87. To hold that this definition applies to some but not all of these succeeding sections is not reasonable. Furthermore, a difficult problem of construing the language of the majority of the venue sections of revised Title 28 would result even though such language is expressly and clearly defined in the statute itself. This would not only render the venue provisions of revised Title 28 confusing and inconsistent, but it would defeat the principal objective of the revision to simplify and make uniform Federal procedure. The definitive portion of Section 1391(c) must be given effect. The only logical and consistent effect that it can be given is to define corporate residence for all of the sections of Chapter 87, including that relating to patent infringement, Section 1400(b).

C. There Is No Justification for Treating Corporations Differently in Patent Infringement Actions Than in Other Types of Actions.

The purpose of Section 1391(c) has been succinctly described by two members of the Revision Staff of revised Title 28, Chief Reviser William W. Barron, Department of Justice, and the Hon. Alexander Holtzoff, Judge of the United States District Court for the District of Columbia. Thus, in their treaties entitled *Federal Practice and Procedure* (1950) (West), Vol. 1, Section 80, on pages 153-154, they state:

> "It was long the rule that, for venue purposes, a corporation was a resident only of the state wherein it was incorporated, and that it was not a resident of another state even though it did business or appoint an agent for service of process there.
>
> "It was perhaps inevitable that the expanding economy of the nation and the nation-wide activities

of great corporations should eventually render intolerable a rule which restricted federal suits to the district of incorporation, especially if that district was remote from the scene of corporate activities. And so the time came when by judicial construction the Supreme Court held a corporation suable in any district in which it is licensed to do business or in pursuance of state law has appointed an agent for service of process. Such compliance with state law is deemed a waiver of the privilege to be sued in the state of incorporation and conclusive evidence of consent to be sued elsewhere.

"Congress took the next long step by enacting into law the provision that 'a corporation may be sued in any judicial district in which it is incorporated or licensed to do business or is doing business, and such judicial district shall be regarded as the residence of such corporation for venue purposes.' * * *"

A third member of the Revision Staff, Professor James Wm. Moore of the Yale Law School, has discussed the section in his *Commentary on the U. S. Judicial Code* (1949) (Bender), wherein he states, at page 178:

"* * * And, what is far more important, a corporate *defendant* may under §1391(c) be a resident of many districts for purposes of applying the above venue rules, whereas formerly a corporation was a resident of only one district." (Emphasis Moore's.)

There is no basis whatever, either in the legislative history of revised Title 28 or in the language used in the statute for assuming that Congress intended to eliminate, as to certain types of actions but not as to patent infringement actions, the fiction that a corporation exists

only in the state in which it is incorporated. The need for broadening venue as to corporations is just the same in patent infringement actions as in any other type. There can be no doubt but that Section 1391(c) changes the law by broadening venue as to corporate defendants. To hold that patent infringement actions are an exception, in the language of Judge Hall in *Farr v. Gratiot et al.* (D. C. S. D. Cal. 1950), 92 F. Supp. 320, at 322:

> "* * * would be to require judicial legislation by adding to the end of Section 1391(c), the phrase, 'except in patent litigation;' * * *"

As stated by the Court of Appeals in *Dalton v. Shakespeare Co.* (5 Cir.), 196 F. 2d 469 at 472:

> "If Congress had intended the definition of Section 1391(c) to be limited to certain types of actions, congress would, we think, have plainly said so. If, on the contrary, congress had intended to provide that corporations are, for venue purposes, residents of those districts in which they are doing business, regardless of the particular wrong with which the corporation may be charged, it, by using the word 'residence' in Section 1391(c) and 'resides' in Section 1400(b), certainly took the right course to do so."

D. The Statute Is Clear and Unambiguous and Should Not Be Rewritten by Speculation as to Some Undisclosed Congressional Intent.

Revised Title 28, U. S. C., became effective September 1, 1948. The whole title was a single enactment. Chapter 87 thereof establishes venue requirements in the district courts. The sole question presented is the meaning of a word in Section 1400(b) of Chapter 87. That word is specifically and unequivocally defined in another

section, 1391(c) of the same chapter. Moreover, as has been previously pointed out, the word is used repeatedly in other sections of Chapter 87. Petitioners submit that this clear and unambiguous language repeatedly used and specifically defined must be taken as the final expression of Congressional intent.

As stated by the Court of Appeals for the Fifth Circuit in *Dalton v. Shakespeare Co.*, 196 F. 2d 469 at 472:

> "* * * Indeed it seems to us that the difficulties arise not out of the words the statute used but out of the strained efforts to make them read otherwise than as they do."

Judge Harrison of the District Court of the Southern District of California held that the definition of corporate residence set forth in Section 1391(c) is inapplicable to Section 1400(b) and that the term "residence" in Section 1400(b) is limited to mean only the state of incorporation of such a defendant. *Gulf Research & Development Co. et al. v. Schlumberger Well Surveying Corporation* (D. C. S. D. Cal. 1950), 92 F. Supp. 16. In support of this decision, Judge Harrison relied upon certain broad statements made by the Revisers of the new Judicial Code. Thus, in his opinion he states, 92 F. Supp. 16, at 19:

> "I believe the Reviser's Notes together with the evidence presented to the Congressional Committee should be the exclusive guide to a proper interpretation and construction of the revised sections. * * *"

In this, petitioners submit, Judge Harrison is completely ignoring the plain language of the statute and the fundamental doctrine that, where a statute is free

from any ambiguity, it is the duty of the courts to apply the statute as written.

No question of statutory construction is here presented. The intent of Congress is clearly expressed in the language of the statute. The application of the statute as written would be neither impossible nor unreasonable and moreover would be plainly in accordance with the policy of the legislation as a whole. Under such circumstances, a court must apply the statute as written. Resort to legislative history or speculation regarding some unexpressed Congressional intent is improper. A strikingly similar situation has recently been presented to this court in *Ex parte Collett* (1949), 337 U. S. 55, 93 L. Ed. 1207 (discussed herein at page 24). In urging that Section 1404(a) was inapplicable to actions brought under the Federal Employers' Liability Act, the petitioner in that case argued that Congress had not intended to change the law by enacting revised Title 28. In support of this position, the petitioner relied upon legislative history. While this court considered such history and found that the same did evidence an intent by Congress to change the law, it did so only after stating, 337 U. S. at 61, 93 L. Ed. at 1211:

> "Petitioner's chief argument proceeds not from one side or the other of the literal boundaries of §1404(a), but from its legislative history. The short answer is that there is no need to refer to the legislative history where the statutory language is clear. 'The plain words and meaning of a statute cannot be overcome by a legislative history which, through strained processes of deduction from events of wholly ambiguous significance, may furnish dubious bases for inference in every direction.' Gemsco, Inc. v. Walling, 324 US 244, 260, 89 L ed 921, 933, 65 S Ct 605 (1945). This canon of construc-

tion has received consistent adherence in our decisions."

The situation presented in *Ex parte Collett* is substantially identical with that presented here. Thus, in both cases, the question was whether a new section of Chapter 87 of revised Title 28 changed the law. In the *Collett* case, as here, despite the clear language employed in the statute, it was urged that resort to legislative history was proper to determine Congressional intent. Just as in the *Collett* case, there is no need here to refer to the legislative history since the statutory language is clear. See also: *United States v. Missouri P. R. Company* (1928), 278 U. S. 269, 277, 278, 73 L. Ed. 322, 376, 377; *United States v. Standard Brewery, Inc.* (1920), 251 U. S. 210, 217, 64 L. Ed. 229, 234; and *Wilbur v. United States ex rel. Vindicator Consolidated G. Min. Co.* (1931), 284 U. S. 231, 237, 76 L. Ed. 261, 264.

To justify departure from the terms of the statute as written and to justify resort to collateral matter in interpreting the statute, Schlumberger has urged throughout these proceedings that if the statute be applied as written ambiguity will result. Reference is made to the fact that if the residence of a corporate defendant includes any district in which it is doing business. the latter clause of Section 1400(b) relating to "a regular and established place of business" is unnecessary. The mere fact that the latter clause of Section 1400(b) is unnecessary in so far as corporate defendants are concerned is obviously no ambiguity. Section 1400(b), being the exclusive patent venue section, of necessity must cover all types of defendants, and this clause finds application in the case of other than corporate defendants as, for example, individuals and partnerships.

E. Even Were a Question of Construction Presented Here, the Legislative History of Revised Title 28 Wholly Fails to Establish That No Venue Change Was Intended in Patent Infringement Actions.

The basis of Judge Harrison's decision is that revised Title 28 is merely a revision and codification of the prior law, that no change in the law will be effected by any section of the code unless such change is expressly set forth in the Revisers' Notes following such section, and that the Revisers' Notes are silent on the point here presented. In support of his position, Judge Harrison relies upon *United States v. Ryder* (1884), 110 U. S. 729, 28 L. Ed. 308, and certain general statements made by those charged with the drafting of the new code. The *Ryder* case establishes no such rule, nor was it the intent of the Revisers of the code that such a rule control its construction. In the *Ryder* case, this Court simply held that, in a revision of the law, no change will be ascribed thereto unless the language of the statute in question is clear to that effect. Thus, the Court states, 110 U. S. at 740, 28 L. Ed. at 311-312:

> "* * * The revisers would not have proposed, nor would Congress have made, such a fundamental change in the law as the extension of this provision to criminal cases, without employing more appropriate terms for that purpose than those which the section contains. It will not be inferred that the Legislature, in revising and consolidating the laws, intended to change their policy, unless such intention be clearly expressed. McDonald v. Hovey (ante, 269)."

This language in no way suggests that silence on the part of the Revisers requires or even justifies departure from the clear language of a statute in its revised form.

Rather, the case recognizes the rule that the expression of intent to change may be found in the terms of the statute itself.

That this was the intention of the Revisers themselves is demonstrated by their discussions of revised Title 28 in subsequent works. The Revision Staff consisted of four men, Chief Reviser William W. Barron, Department of Justice; Frank J. Parker, Assistant United States Attorney for New York; James W. Moore, of the Yale Law School; and the Hon. Alexander Holtzoff, Judge of the United States District Court for the District of Columbia. As set forth on pages 29-30 herein, Barron and Holtzoff in their work *Federal Practice and Procedure* (1950) (West), in Vol. 1, Section 80, on pages 153-154, recognize that Section 1391(c) constitutes a marked change in the law as to corporate venue. Yet the Revisers' Notes are utterly silent respecting any such change. In addition, Professor Moore, in his *Commentary on the U. S. Judicial Code* (1949) (Bender), on page 178, adopts the same view. Moreover, Professor Moore, in his *Commentary*, as set forth on page 23 herein, states that the definition of corporate residence in Section 1391(c) applies to Section 1400(b). Barron and Holtzoff do not discuss the precise point, but obviously agree in principle with Professor Moore. Thus, three of the four Revisers agree that the new Judicial Code changes venue requirements despite the silence of the Revisers' Notes respecting such change. The other Reviser, Mr. Parker, apparently has not gone on record on the point.

In addition, the law was settled that by qualifying to do business in a district a corporation did not thereby become a resident of the district. *Suttle v. Reich Bros. Construction Co.* (1948), 333 U. S. 163, 92 L. Ed. 614.

Yet, that is what Section 1391(c) now provides. Section 1391(c) unequivocally states that for venue purposes a corporation is a resident of a judicial district in which it is licensed to do business, yet nothing whatsoever is stated in the Revisers' Notes respecting this change.

The rule of construction proposed by Schlumberger and adopted by Judge Harrison is utterly unworkable. Its effect would be that the Revisers' Notes, rather than the statute, state the law. Moreover, the law is not even to be determined from express statements made by the Revisers, but rather is to be implied from their silence. While petitioners concede that in a doubtful case the Revisers' Notes are a valid source for construction of the new Judicial Code, such Notes cannot control the express language of the statute. For example, while the Revisers' Notes nowhere mention that Section 1391(c) broadens venue as to corporate defendants generally or that it provides that a corporation now resides in any district in which it is licensed to do business, the section plainly has this effect. To adopt the rule of construction urged by Schlumberger and adopted by Judge Harrison would require the courts to simply ignore Section 1391(c). Congress certainly intended no such result.

The Revisers' Notes represent in part an attempt by the Revision Staff to point out changes effected by the new Code. They are, however, far from complete in this regard, as evidenced by the Notes following Section 1391(c). The mere fact that the Revisers have failed to call attention to a change in the law cannot justify a court in ignoring the plain language of the statute. To hold otherwise would be to hold that the Revision Staff and not Congress makes the law and that the Revisers' Notes and not the statute state the law.

F. The Case of Stonite Products Co. v. Melvin Lloyd Has No Bearing on the Question here Presented.

At the outset of his opinion, Judge Harrison states, 92 F. Supp. at page 17:

> "It is the contention of the plaintiffs that Section 1391(c) of Title 28 U.S.C.A. as revised, changes the rule set forth in Stonite Products Co. v. Melvin Lloyd Co., 315 U.S. 561, 62 S.Ct. 780, 86 L.Ed. 1026, and that Section 1400(b) is no longer the exclusive provision controlling venue in patent infringement proceedings. * * *"

Petitioners make no such contention. The *Stonite* case, which was decided prior to the enactment of revised Title 28 held that the old general venue section (113), which provided that venue against two or more defendants residing in different judicial districts within the same state could be laid in either judicial district, was not applicable to the old special patent venue section (109). This Court simply applied the well established rule that, when a special and a general statute are inconsistent, the special statute controls. A contrary holding would have made the defendant in that case amenable to venue in a district under which it was not amenable to venue under the plain terms of the patent section. The two sections were inconsistent, and the question was presented as to which should be applied.

The question in the instant case is entirely different. Section 1391(c) is in no way inconsistent with Section 1400(b), but merely explains and defines the terms of Section 1400(b) just as it explains and defines the terms of other sections of Chapter 87 of the new Judicial Code. To apply the Section 1391(c) definition of corporate residence to Section 1400(b) is not to hold that

the latter section is in any way modified by the former or that the rule of the *Stonite* case is in any way affected by revised Title 28. The *Stonite* case holds that the special patent venue section is exclusive regarding patent infringement cases. To hold that a corporation in a patent infringement case is amenable to venue in a district if it is "doing business" in the district, is not in any way inconsistent with this notion. Section 1400(b) is the exclusive section governing venue in actions for patent infringement, but in applying Section 1400(b), the question is presented as to the meaning of the word "resides" appearing therein (a term which was not included in old Section 109). This question is, of course, resolved by reference to Section 1391(c) wherein the term is defined.

In addition to the *Stonite* case, Judge Harrison relies upon several recent cases which consider Section 1400(b). These are: *Ackerman v. Hook* (3 Cir. 1950), 183 F. 2d 11; *Arkay Infants Wear, Inc. v. Kline's Inc.* (D. C. W. D. Mo. 1949), 85 F. Supp. 98; and *Fischer v. Karl* (D. C. E. D. N. Y. 1949), 84 F. Supp. 53. Each of these cases involves the same point, namely, whether Section 1392 of revised Title 28 controls venue in patent infringement actions. This point is identical with that raised in *Stonite Products Co. v. Melvin Lloyd Co.*, 315 U. S. 561, 62 S. Ct. 780, 86 L. Ed. 1026, just discussed. Section 1392(a) provides that, where defendants reside in different districts in the same state, venue may be properly laid in any of such districts. These cases hold that revised Title 28 does not change the rule of the *Stonite* case, and that Section 1392(a) is inapplicable to patent infringement actions. Thus, the question involved was whether a general section (1392(a))

controls a special section (1400(b)) where the two are inconsistent. That point is not involved here. The instant case is concerned with Section 1391(c) and the definition of corporate residence for venue purposes. These cases do not consider this question.

G. This Court Should Direct a Retransfer of the Case to the Southern District of California, Thereby Disposing of All Questions Presented by the Instant Petition.

It is petitioners' contention that venue in the patent infringement action between petitioners and Schlumberger was properly laid in the Southern District of California. Section 1406(a) of revised Title 28 empowers a district court to transfer an action only where venue is improperly laid. *Riley v. Union Pacific R. Co.* (7 Cir. 1949), 177 F. 2d 673, certiorari denied 338 U. S. 911, 94 L. Ed. 561. Accordingly, the transfer of the action to the District of Delaware was made without statutory sanction or authority. It was to rectify this error that petitioners filed a petition for writ of mandamus or prohibition in the Ninth Circuit, moved for retransfer in the District Court for the District of Delaware, filed a petition for a writ of mandamus in the Court of Appeals for the Third Circuit, and finally, filed the instant petition for a writ of certiorari.

As previously noted, the courts are in hopeless confusion and disagreement on the venue question here presented. The importance of the question is clear from the large number of times it has arisen. The confusion in the lower courts is strikingly demonstrated in the

Southern District of California, Central Division. In that court, the judges themselves disagree, with the result that whether venue against a corporate defendant in patent infringement actions is proper depends solely upon the particular judge to whom the case is assigned. The situation has been further aggravated by the two decisions on the point rendered by the courts of appeals, which are in direct conflict. *C-O-Two Fire Equipment Co. v. Barnes* (7 Cir. 1952), 194 F. 2d 410; *Dalton v. Shakespeare Co.* (5 Cir. 1952), 196 F. 2d 469.

The importance of the question involved and the confusion and uncertainty in the lower courts make it clear that an early and definitive ruling by the Supreme Court is essential to effectuate the manifest purpose of revised Title 28, U. S. C. in simplifying and making uniform Federal procedure. As previously noted, the situation here presented is strikingly similar to that before this Court in three recent cases. *Ex parte Collett* (1949), 337 U. S. 55, 93 L. Ed. 1207; *Kilpatrick v. Texas & P. Ry. Co.* (1949), 337 U. S. 75, 93 L. Ed. 1223; and *United States v. National City Lines, Inc.* (1949), 337 U. S. 78, 93 L. Ed. 1226. This Court assigned these cases for hearing on motions for leave to file petitions for writs of mandamus, prohibition or certiorari, under revised Title 28, Section 1651(a), directed to the district court in each instance. In the *Collett* case, the Court stated that its reason for assigning the case for hearing was the importance of the question in the administration of justice, noting the conflicting decisions in the district courts, 337 U. S. at 57, 93 L. Ed. at 1208.

As in the instant case, the question before this Court in the *Collett, Kilpatrick* and *National City Lines* cases was the power of a district court to transfer an action under revised Title 28. Similarly, the question here is of great importance in the administration of justice. In accordance with its rulings in the *Collett, Kilpatrick* and *National City Lines* cases, petitioners submit that this Court should rule directly on this question.

While in form the instant petition is for a writ of certiorari directed to the Court of Appeals for the Third Circuit to review an order of that Court denying a petition for a writ of mandamus, there is no question but that, having granted the petition, this Court is empowered to rule directly upon the underlying venue question and to make such disposition of the case as justice may require. Thus, it is well settled that the granting of a writ of certiorari by this Court brings before it the entire case for examination. As stated in *Donovan v. Pennsylvania Co.* (1905), 199 U. S. 279, 286, 50 L. Ed. 192, 198:

> "As this case is before us on writ of certiorari, we can dispose of all questions arising on the record."

See also: *Hamilton-Brown Shoe Co. v. Wolf Bros. & Co.* (1916), 240 U. S. 251, 60 L. Ed. 629; and *Panama R. Co. v. Napier Shipping Co.* (1897), 166 U. S. 280, 284, 41 L. Ed. 1004, 1005.

Accordingly, petitioners respectfully submit that this Court should render a direct ruling upon the venue question presented and direct a retransfer of the patent infringement action between petitioners and Schlumberger to the Southern District of California.

II.

The Court of Appeals for the Third Circuit Erred in Denying to Issue a Writ of Mandamus.

Petitioners have shown that Judge Harrison exceeded his powers in transferring the instant patent infringement action to the District of Delaware. Petitioners attempted to correct this error by immediately moving the District Court for the District of Delaware to transfer the action back to the Southern District of California. This, Judge Leahy of such District Court, declined to do on the ground that for him to review Judge Harrison's earlier ruling would be a "usurpation of an appellate function." *Gulf Research & Development Company et al v. Schlumberger Well Surveying Corporation* (D. C. D. Del. 1951), 98 F. Supp. 198, 201. Petitioners then filed, in the Court of Appeals for the Third Circuit, a petition for a writ of mandamus directing Judge Leahy either to consider petitioners' motion to transfer on its merits, or in the alternative, to effect such transfer. The Court of Appeals denied this petition on the ground that the case was not an appropriate one for the writ sought. Petitioners will show herein that under the circumstances, an appropriate case for mandamus was presented and that the Court of Appeals erred in refusing to grant its writ.

A. The Court of Appeals Has the Power to Issue the Requested Writ.

Section 1651 of Title 28, U. S. C. provides in part:

> "(a) The Supreme Court and all courts established by Act of Congress may issue all writs necessary or appropriate in aid of their respective jurisdictions and agreeable to the usages and principles of law."

The writ requested is appropriate in aid of the appellate jurisdiction of the Court of Appeals for the Third Circuit, and it is in cases precisely of this nature that the writ finds particular application. As stated in *Ex parte Republic of Peru* (1943), 318 U. S. 578 at 583, 87 L. Ed. 1014 at 1017:

> "* * * The historic use of writs of prohibition and mandamus directed by an appellate to an inferior court has been to exert the revisory appellate power over the inferior court. The writs thus afford an expeditious and effective means of confining the inferior court to a lawful exercise of its prescribed jurisdiction, or of compelling it to exercise its authority when it is its duty to do so. * * *"

In *Roche v. Evaporated Milk Assn.* (1943), 319 U. S. 21, 87 L. Ed. 1185, the Court of Appeals for the Ninth Circuit had granted its writ of mandamus directing the district court to reinstate the defendant's plea in abatement in a criminal case. On certiorari, this Court held the case an inappropriate one for the writ. Regarding, however, the power of the Court of Appeals to issue such a writ, the Court stated, 319 U. S. at 25, 87 L. Ed. at 1190:

> "The common law writs, like equitable remedies, ma. be granted or withheld in the sound discretion of the court. (Citing cases.) Hence the question presented on this record is not whether the court below had power to grant the writ but whether in the light of all the circumstances the case was an appropriate one for the exercise of that power. * * *"

Similarly, the question before this Court is not whether the Court of Appeals had the power to grant the writ sought, but whether the case presented was an appropriate one for the exercise of such power.

B. The Court of Appeals Erred in Holding the Case Inappropriate for a Writ of Mandamus.

Sections 1404(a) and 1406(a) of revised Title 28 introduce a novel procedure into our Federal law. These sections empower a district court to transfer a case to another district either where the convenience of the parties and witnesses and the interest of justice requires (§1404(a)), or where venue is improper (§1406(a)). Neither revised Title 28 nor the Federal Rules of Civil Procedure (which were adopted before revised Title 28 became law) specifically provides for review of an order transferring a case under either of these sections.

That such an order is subject to review, however, cannot be doubted, but being interlocutory, it is not appealable. *Jiffy Lubricator Co. v. Stewart-Warner Corporation* (4 Cir. 1949), 177 F. 2d 360; *Ford Motor Co. v. Ryan* (5 Cir. 1950), 182 F. 2d 329; *Paramount Pictures v. Rodney* (3 Cir. 1950), 186 F. 2d 111, cert. den. 340 U. S. 953, 95 L. Ed. 453; *Atlantic Coast Line R. Co. v. Davis* (5 Cir. 1950), 185 F. 2d 766.

This result has recently been discussed by Judge Frank in an opinion, dissenting in part, in *Magnetic Engineering & Mfg. Co. v. Dings* (2 Cir. 1950), 178 F. 2d 866, 870:

> "* * * However, Congress, when it recently substituted a transfer order for an order of dismissal previously used (under the forum non conveniens doctrine) in cases like this, almost surely did not

> plan such a result, i.e., I think that Congress did not have in mind that the transfer order would be interlocutory and non-appealable. I think, therefore, that a sense of justice should prompt us to grant relief, if possible, by way of mandamus. * * *"

The question as to whether an order granting or denying a motion to transfer is reviewable by mandamus has frequently appeared before the courts of appeals. As will be later discussed, the great majority of decisions agree with Judge Frank and hold mandamus appropriate. There is, however, a decided conflict on the question.

While petitioners concede that an appellate court should not exercise its power to issue writs of mandamus merely as substitutes for piecemeal appeals of interlocutory orders and that some "unusual" or "extraordinary" circumstances must be present to justify such a remedy, it is submitted that such circumstances are clearly present here. The Court of Appeals for the Third Circuit ignored these unusual and extraordinary circumstances in holding mandamus inappropriate, and in so doing, erred. In substance, the Court of Appeals simply assumed that Judge Harrison's erroneous transfer order was subject to review on appeal after final judgment. On this assumption the court held that the case was controlled by three recent decisions of this Court: *Roche v. Evaporated Milk Assn.* (1943), 319 U. S. 21, 87 L. Ed. 1185; *Ex parte Fahey* (1947), 332 U. S. 258, 91 L. Ed. 2041; *U. S. Alkali Export Assn. v. United States* (1945), 325 U. S. 196, 89 L. Ed. 1554. Thus, as a basis for its holding, the Court of Appeals states, *Gulf Research & Development Co. et al. v. Leahy,* 193 F. 2d 302, 304 [R. 41, 44]:

> "* * * Accordingly unless the plaintiffs should subsequently waive their objection to the order of

transfer they will be entitled to assert it on appeal and, if the objection is sustained, obtain from this court an order vacating the judgment of the Delaware district court and directing the remand of the action to the Southern District of California. * * *"

The fallacy of this reasoning is that, even though the transfer order was in error and plaintiffs may *assert* their objection to it on appeal, there is no assurance that the error will constitute reversible error. It is well established that to justify a reversal because of error in the lower court, the error must be prejudicial. As stated by this Court in *Carlisle Packing Co. v. Sandanger* (1922), 259 U. S. 255, 259, 66 L. Ed. 927, 930:

> "But mere error, without more, is not enough to upset the judgment, if the record discloses that no injury could have resulted therefrom. West v. Camden, 135 U. S. 507, 521, 34 L. Ed. 254, 258, 10 Sup. Ct. Rep. 838."

See also, *Pugh v. McCormick* (1872), 14 Wall. 361, 20 L. Ed. 789.

Whether and under what circumstances error in granting or denying a transfer order is reversible error, does not appear to have been squarely decided by any of the Federal courts. However, the general rule evolved from state court decisions is set forth in 5 *Corpus Juris Secundum*, Section 1697, page 891:

> "Error in granting or denying a change of venue, if not prejudicial to the complaining party, is not ground for reversal."

Accordingly, unless petitioners are able to establish that they had been prejudiced by the erroneous transfer order, for example, establish that a different result would have

been reached had the case been tried in the Southern District of California rather than the District of Delaware, petitioners will be unable to correct the error on appeal. Such a result would deprive petitioners of their venue privilege expressly provided by statute without any recourse to appellate review. This situation has been recognized by a number of Courts of Appeals as justifying mandamus in cases such as this. Thus, in *Ford Motor Co. v. Ryan* (2 Cir. 1950), 182 F. 2d 329, the district court had denied defendant's motion to transfer an action under Section 1404(a), and the defendant filed a petition for a writ of mandamus. Although denying the petition on the merits, the court held that the case was an appropriate one for its issuance, stating at page 330:

> "* * * Judge Hand and I think this the kind of interlocutory order with which this court can properly deal by way of such a writ, since should petitioners—the defendants—finally lose on the merits below, any error in the interlocutory order would probably be incorrectible on appeal, for petitioners could hardly show that a different result would have been reached had the suit been transferred. * * *"

Again, in *Atlantic Coast Line R. Co. v. Davis* (5 Cir. 1950), 185 F. 2d 766, the district court had transferred an action. The Court of Appeals issued its writ of mandamus to set aside the order of transfer. In considering the propriety of the writ, the Court stated, at 768:

> "At the outset of our consideration of the propriety of the retransfer, we are faced with the question of our jurisdiction either to issue the writ, or to consider the appeal. We think it clearly apparent from the facts stated that this is an extraordinary cause, and that it is of a nature which renders the

likelihood of any fair and effective correction of the action of the Court by subsequent appeal, if this should be determined legally necessary, highly improbable, if not impossible. * * *"

The strong likelihood that an erroneous transfer order will not be correctible on appeal distinguishes the instant case from those of this Court relied upon by the Court of Appeals for the Third Circuit in denying mandamus. *Ex parte Fahey* (1947), 332 U. S. 258, 91 L. Ed. 2041, involved an application for leave to file a writ of mandamus or prohibition, requiring the district court to vacate an order allowing attorneys' fees. In holding mandamus inappropriate in such case, the Court stated, 332 U. S. at 260, 91 L. Ed. at 2043:

"* * * These remedies should be resorted to only where appeal is a clearly inadequate remedy. We are unwilling to utilize them as substitutes for appeals. * * *"

In *Roche v. Evaporated Milk Assn.* (1943), 319 U. S. 21, 87 L. Ed. 1185, the Court of Appeals for the Ninth Circuit had issued a writ of mandamus directing the district court to reinstate the defendant's plea in abatement in a criminal case. On certiorari, this Court held that the writ should not have been issued. The defendant had stressed the burden and expense of requiring it to undergo a trial in advance of an appellate determination of its plea. The Court simply rejected this argument on the ground that the only effect of the writ would be to thwart Congressional policy against piecemeal appeals in criminal cases. In *United States Alkali Export Assn. v. United States* (1945), 325 U. S. 196, 89 L. Ed. 1554, the district court had denied a motion to dismiss an antitrust action for lack of jurisdiction, and the defendant filed a petition

for certiorari under Section 262 of the Judicial Code (now revised Title 28, U. S. C., Sec. 1651(a)). In response to the argument that appellate review of the interlocutory order would avoid the burden and expense of a perhaps unnecessary trial, this Court reaffirmed its earlier rulings, stating, 325 U. S. at 202, 89 L. Ed. at 1560:

> "* * * But such hardship does not necessarily justify resort to certiorari or other of the extraordinary writs as a means of review. * * *"

In the case, however, another factor was present. The defendant urged that under the applicable statutes, initial jurisdiction in such a case had been given to the Federal Trade Commission and that for the district court to accept jurisdiction of the case would be to thwart Congressional policy. The court held that these two factors combined were sufficient to justify the exercise of its power to review the ruling of the district court in advance of final judgment.

These cases fail to support the holding of the Court of Appeals for the Third Circuit. They establish only that mandamus is improper as a mere substitute for an appeal from an interlocutory order and is not justified simply because petitioner will be subjected to an expensive and burdensome trial which might otherwise be avoided by such review. In the *Fahey* and *Roche* cases, remedy by appeal after final judgment was clearly an adequate remedy, and this Court held mandamus inappropriate. On the other hand, in the *Alkali Assn.* case, remedy by appeal after final judgment would not be adequate, and this Court held the writ to be appropriate.

Since the erroneous transfer order in the present case may well be incorrectible on appeal, the instant case

differs from the *Fahey* and *Roche* cases and falls within the *Alkali Assn.* case wherein mandamus was held appropriate.

C. The Importance of the Question.

In addition to the above, the Court of Appeals ignored an additional factor which renders mandamus particularly appropriate in the instant case. The many cases cited on pages 20-24 herein involving the underlying venue question bring into sharp focus the conflict and confusion with which courts and litigants are confronted under the present state of the law. The importance of the question is demonstrated by the frequency with which it has arisen. The administration of justice fully justifies procedure by mandamus. *Ex parte Collett* (1949), 337 U. S. 55, 57, 93 L. Ed. 1207, 1209.

D. The Decision of the Court of Appeals Holding Mandamus Inappropriate Is Contrary to the Decisions of This Court and to the Majority of Decisions of the Courts of Appeals of Other Circuits.

In three recent decisions, this Court has held that mandamus is proper to review an order transferring an action under Section 1404(a) where the question presented was the power of the district court to make such an order. *Ex parte Collett* (1949), 337 U. S. 55, 93 L. Ed. 1207; *Kilpatrick v. Texas R. Co.* (1949), 337 U. S. 75, 93 L. Ed. 1223; *United States v. National City Lines* (1949), 337 U. S. 78, 93 L. Ed. 1226. These cases, which involved the power of a district court to transfer, under revised Title 28, U. S. C., Section 1404(a), actions arising under the Federal Employers' Liability Act and the antitrust laws, have been discussed herein on pages 24-26. This Court assigned these cases for hearing

on motions for leave to file petitions for writs of mandamus and prohibition directed to the district court in the *Collett* case, on petition for mandamus or certiorari directed to the district court in the *Kilpatrick* case, and on motion for leave to file a petition for a writ of certiorari in the *National City Lines* case. The question of procedure is discussed only in the *Collett* case wherein this Court stated that its reason for assigning the case for hearing was the importance of the question in the administration of justice, noting the conflicting decisions in the district courts, 337 U. S. at 57, 93 L. Ed. at 1209. Each of these cases presented a situation analogous to that of the instant case. The question before the Court concerned the power of a district court to transfer a case under revised Title 28. Moreover, as noted in the *Collett* case, conflicting decisions on the question had been rendered by the district courts. Petitioners submit that the decision of the Court of Appeals for the Third Circuit holding mandamus improper in the present case is contrary to these recent decisions of this Court.

Of the large number of cases in the courts of appeals, the overwhelming majority hold, contrary to the Court of Appeals for the Third Circuit in the instant case, that mandamus is proper to review a district court order transferring or refusing to transfer an action. It must be conceded, however, that a conflict exists, and even the cases decided by the same court of appeals are difficult to reconcile. The pertinent decisions of the courts of appeals will be reviewed very briefly herein.

Second Circuit.

Magnetic Engineering & Mfg. Co. v. Dings (1950), 178 F. 2d 866. Here, the Court held that it would not, on mandamus, review the propriety of a transfer order under Section 1404(a) on the ground that the Court of Appeals for the transferee district was the more suitable court for such a review.

Foster-Milburn Co. et al. v. Knight (1950), 181 F. 2d 949. Here, the District Court, having no power so to do, ordered a transfer of an action under Section 1404(a). The Court of Appeals held mandamus proper to review the order.

Ford Motor Co. v. Ryan (1950), 182 F. 2d 329. Here, the Court, reviewing on its merits an order of the District Court declining to transfer an action under Section 1404(a), denied the writ solely on the ground that the defendant had failed to sustain the burden of making out a strong enough case of inconvenience to justify the transfer.

In two recent decisions, *Anthony v. Kaufman* (1951), 193 F. 2d 85, and *Arrowhead Co., Inc. et al. v. The Aimee Lykes et al.* (1951), 193 F. 2d 83, the Second Circuit has clarified its earlier holdings to the effect that, if the order directs a transfer and no more than an abuse of discretion is involved, it will not entertain a petition for a writ of mandamus, and that such a petition must be addressed to the court of appeals for the circuit which includes the transferee district. If, however, the district court lacks power to order the transfer, a writ of mandamus will issue.

Third Circuit.

Paramount Pictures v. Rodney (1950), 186 F. 2d 111, certiorari denied, 95 L. Ed. 453. Here, the District Court had held that it had no power to transfer a particular action under Section 1404(a). The Court of Appeals held that it would, if necessary, issue a writ of mandamus directing the lower court to consider the transfer motion on its merits. Compare the instant case wherein the Third Circuit held mandamus inappropriate.

Fifth Circuit.

Atlantic Coast Line R. Co. v. Davis (1950), 185 F. 2d 766. Here, the District Court had ordered a case transferred, and the Court of Appeals issued its writ of mandamus requiring a withdrawal of such order on the ground that the transfer was not justified under the circumstances present.

Sixth Circuit.

Nicol v. Koscinski (1951), 188 F. 2d 537. Here, the Court considered on its merits in a mandamus proceeding a transfer order under Section 1404(a) by the District Court, denying its writ on the ground that the transfer order was not clearly erroneous.

Seventh Circuit.

Fettig Canning Co. v. Steckler (1951), 188 F. 2d 715, certiorari denied 341 U. S. 951. Here, the District Court for the Eastern District of Missouri had transferred a case to the Southern District of Indiana, and the Court of the latter district had ordered the case retransferred on the ground that the Missouri District Court had no power to order the original transfer. The Court of Appeals reviewed the question on the merits in a mandamus pro-

ceeding, and denied its writ on the ground that retransfer was proper.

C-O-Two Fire Equipment Co. v. Barnes (1952), 194 F. 2d 410. Here, the District Court had denied a motion to transfer under Section 1406(a) on the ground that venue was proper. The Court of Appeals issued its writ of mandamus directing the lower court either to dismiss or transfer the action.

Ninth Circuit.

Gulf Research & Development Co. et al. v. Harrison (1950), 185 F. 2d 457. Here, the District Court ordered the transfer of the instant patent infringement action under Section 1406(a) on the ground that venue was improper. The Court of Appeals held mandamus inappropriate. Compare the later decision of the same Court in *Shapiro v. Bonanza Hotel Co.* (1950), 185 F. 2d 777, wherein the District Court declined to transfer a case under Section 1404(a) on the ground that it had no power so to do. On appeal, the Court held the order not appealable but treated the same as a petition for a writ of mandamus, holding that a proper case for mandamus was present. The Court denied the writ on the merits.

Court of Appeals, District of Columbia.

Wiren v. Laws (1951), 194 F. 2d 873. Here, the District Court ordered transferred a case under Section 1404(a). The Court held that the lower court erred in granting the transfer and that mandamus was the proper remedy.

While the great majority of the above decisions involved orders transferring or refusing to transfer an action under Section 1404(a) of revised Title 28, petitioners submit that the same factors are present where, as here, Section 1406(a) is involved.

The above cases demonstrate that the decision of the Court of Appeals for the Third Circuit, holding mandamus inappropriate, is contrary to the great majority of decisions of the other Courts of Appeals on the general question as to the propriety of mandamus to review orders granting or denying motions to transfer and also on the narrower question as to the propriety of mandamus in transfer cases involving the power of the district court to effect a transfer. Indeed, the only known decisions holding mandamus inappropriate in cases of the latter type are those rendered by the Court of Appeals for the Third and Ninth Circuits in the instant proceedings. On the other hand, each of these courts has also held mandamus proper in such a case.

Conclusion.

It is respectfully submitted that venue in the underlying patent infringement action was properly laid in the Southern District of California, that accordingly Judge Harrison's order transferring the action to the District of Delaware was made without statutory authority, and that the Court of Appeals erred in holding mandamus inappropriate.

Respectfully submitted,

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IN THE

Supreme Court of the United States

OCTOBER TERM, A. D. 1952

No. 24

GULF RESEARCH & DEVELOPMENT COMPANY, WELEX JET SERVICES, INC., and BYRON JACKSON CO.,
Petitioners,

v.

THE HONORABLE PAUL LEAHY, UNITED STATES DISTRICT JUDGE,

and

SCHLUMBERGER WELL SURVEYING CORPORATION,
Respondents.

BRIEF FOR RESPONDENTS

OPINIONS BELOW

The opinion of the Court of Appeals for the Third Circuit (R. 41) is reported at 193 F. (2d) 302. The opinion of the District Court for the District of Delaware (R. 21) in the proceedings out of which the present case arises is reported *sub nom. Gulf Research & Development Co., et al.* v. *Schlumberger Well Surveying Corporation,* at 98 F. Supp. 198. The opinion of the District Court for the Southern District of California, Central Division (R. 11),

which was under attack by petitioners in the District Court for the District of Delaware is reported *sub nom. Gulf Research & Development Co., et al.* v. *Schlumberger Well Surveying Corporation,* at 92 F. Supp. 16. The opinion of the Court of Appeals for the Ninth Circuit (R. 16) denying a writ of mandamus to review the determination of the District Court for the Southern District of California, Central Division, in *Gulf Research & Development Co., et al.* v. *Schlumberger Well Surveying Corporation, supra,* is reported *sub nom. Gulf Research & Development Co., et al.* v. *Harrison,* at 185 F. (2d) 457.

JURISDICTION

The order of the Court of Appeals for the Third Circuit was entered on December 13, 1951. Petition for writ of certiorari was filed March 12, 1952 and granted April 21, 1952. Jurisdiction rests on Title 28 United States Code, Section 1254(1).

QUESTIONS PRESENTED

Two principal questions are presented:

1. Is it proper for a Court of Appeals to deny a writ of mandamus to review an interlocutory order of a District Judge which is within his judicial power and as to which Congress has provided for review on appeal after final judgment?

2. Did Congress intend that subsection (c) of the general venue provisions, Title 28 United States Code, Section 1391 (1948 Revision), should apply to Title 28 United States Code, Section 1400(b), providing special venue requirements for patent infringement actions, with the result that, as to corporate defendants in patent cases,

(1) a portion of Section 1400(b) is redundant and meaningless, (2) venue is enlarged beyond the plain language of Section 1400(b), and (3) venue restrictions which have existed in the law since the Act of March 3, 1897 are eliminated?

STATUTES INVOLVED

The statutes involved in this case are Title 28 United States Code, Sections 1400(b), 1391 and 1406(a). These three sections of the statute are printed in Appendix A (*infra* p. 50).

STATEMENT OF THE CASE

Petitioners seek review of an order of the Court of Appeals for the Third Circuit denying a petition for a writ of mandamus directed to respondent Hon. Paul Leahy, Chief Judge of the United States District Court for the District of Delaware. Mandamus was sought in the Court below to review an interlocutory order entered by Judge Leahy in an action entitled *Gulf Research & Development Co., et al.* v. *Schlumberger Well Surveying Corporation,*[1] Civil Action No. 1342 in the United States District Court for the District of Delaware.

Gulf et al.* v. *Schlumberger **is an ordinary civil action** for patent infringement, in which petitioners here are plaintiffs and respondent Schlumberger Well Surveying Corporation[2] is defendant. The complaint (R. 7) was filed on March 20, 1950, in the United States District Court for the Southern District of California, Central Division. On April 10, 1950, Schlumberger moved under the provisions of Title 28 United States Code, Section 1406(a) to dismiss

1. Hereinafter referred to as *Gulf et al.* v. *Schlumberger.*
2. Hereinafter referred to as Schlumberger.

the complaint on the ground that venue as laid in the California District Court did not satisfy the requirements of Title 28 United States Code, Section 1400(b) for patent infringement actions (R. 9). Judge Benjamin Harrison of the United States District Court for the Southern District of California, Central Division, heard the motion and ruled that venue was improper, *Gulf Research & Development Co., et al.* v. *Schlumberger Well Surveying Corporation* (D.C. S.D. Cal., C.D., 1950), 92 F. Supp. 16 (R. 11). Instead of dismissing the complaint, however, Judge Harrison, under the authority of Section 1406(a), ordered the case transferred to the District of Delaware where Schlumberger was incorporated and where venue was and is proper (R. 32).

Before the transfer order was executed, petitioners applied to and obtained leave of the Court of Appeals for the Ninth Circuit to file a petition for a writ of mandamus or prohibition directed to Judge Harrison to compel him to vacate and set aside this order on the ground that his ruling on venue was in error. This petition was denied November 20, 1950 (R. 16) on the ground that petitioners alleged nothing more than an erroneous application of law which would be reviewable on appeal to the Court of Appeals for the Third Circuit, after final judgment and that the case involved no "extraordinary circumstances," hence was not an appropriate one for mandamus. *Gulf Research & Development Co., et al.* v. *Harrison* (C.A. 9, 1950), 185 F. (2d) 457.

No effort was made at that time by petitioners to have this Court review the decision of the Court of Appeals for the Ninth Circuit on the mandamus issue or to review Judge Harrison's determination in the District Court on the venue issue.

In due course, the files of the *Gulf et al.* v. *Schlumberger* case were transferred to and the action docketed in the Delaware District Court on January 2, 1951. On January 3, 1951 petitioners attempted to have the District Court for the District of Delaware (respondent, Judge Leahy) review Judge Harrison's ruling by filing in the Delaware District Court a motion to retransfer the action back to the California District Court on the grounds that venue in the Southern District of California was proper and the transfer to the Delaware District Court was improper and contrary to law. Judge Leahy denied this motion without passing on the merits of the venue issue. He held that while he had the power to review Judge Harrison's determination of the venue issue, the considerations which give rise to the doctrine of the law of the case, the principles of the rule of comity and considerations for the orderly functioning of the judicial process compelled the conclusion that he should not re-examine this previously litigated and adjudicated issue, *Gulf Research & Development Co., et al.* v. *Schlumberger Well Surveying Corporation* (D.C. D. Del., 1951), 98 F. Supp. 198 (Opinion R. 21, Order R. 27).

Petitioners thereupon filed in the Court of Appeals for the Third Circuit their petition for a writ of mandamus to compel Judge Leahy to set aside his order denying the motion to retransfer the case and to consider petitioners' motion on its merits, or, in the alternative, to direct Judge Leahy to grant the motion (R. 1).

The Court of Appeals for the Third Circuit denied this petition. It held (R. 41) that the case presented by petitioners was not an appropriate one for the extraordinary remedy of mandamus. It pointed out that petitioners' assertion of error in Judge Harrison's determination of the venue issue, which formed the basis of petitioner's

motion in the Delaware District Court, was in the nature of a venue objection which petitioners will be entitled to assert on appeal after final judgment. It concluded that, since such an appeal will be just as adequate as in any other case where an objection to venue is overruled by the trial court, there were no extraordinary circumstances in the petition before it which justified resort to the extraordinary remedy of mandamus, *Gulf Research & Development Co., et al.* v. *Leahy* (C.A. 3, 1951), 193 F. (2d) 302. The order of the Court of Appeals for the Third Circuit (R. 48) denying that petition for a writ of mandamus, is the order in issue here.

Venue is the only issue in the *Gulf et al.* v. *Schlumberger* case thus far litigated in the two and one-half years since this case was commenced. It was raised on April 10, 1950 by Schlumberger's motion (R. 9) under Title 28 United States Code, Section 1406(a) and decided by Judge Harrison of the Southern California District Court on August 2, 1950 (R. 11). In disposing of this issue, Judge Harrison held that venue in patent actions is controlled exclusively by Section 1400(b); that, under the rationale of the decision of this Court in *Stonite Co.* v. *Melvin Lloyd Co.* (1942), 315 U. S. 561 (and contrary to the contentions of petitioners), the general venue provisions of Section 1391, including the provisions of subsection (c) thereof, were not complementary to Section 1400(b); that the revised Judicial Code did not enlarge the venue of patent infringement actions against corporate defendants; that such action would lie against a corporate defendant only in the appropriate district of the state by which such defendant was incorporated, or the district in which such defendant had committed acts of infringement and had a regular and established place of business; that Schlum-

berger, being a corporation of the State of Delaware, is a resident of the District of Delaware within the meaning of Section 1400(b); that while Schlumberger was doing business in the District of California, it had not committed acts of infringement in that District[3]; and that in the *Gulf et al.* v. *Schlumberger* case the Southern District of California satisfied neither of the alternative requirements for venue in patent infringement actions as specified in Section 1400(b).

Judge Harrison's order (R. 32) adopted the alternative available to him under Section 1406(a) and transferred the case to the District of Delaware, the district in which Schlumberger was incorporated, and where, admittedly, venue is proper. This order was entered August 19, 1950.

SUMMARY OF ARGUMENT

The Court of Appeals for the Third Circuit Properly Denied the Petition for a Writ of Mandamus.

The Court of Appeals for the Third Circuit properly denied the extraordinary remedy of a writ of mandamus to petitioners in the present case. The purpose of the writ sought was to obtain review in advance of trial of two interlocutory orders in the *Gulf et al.* v. *Schlumberger* case, a simple patent infringement action. One order—the order of Judge Harrison of the District Court for the Southern District of California, Central Division—transferred the case to the District of Delaware under the provisions of Title 28 United States Code, Section 1406(a) on the ground that venue as laid in the California District

3. Petitioners concede, for the purposes of this case, that Schlumberger has committed no such acts in that district (Petitioners' Brief, p. 4).

Court did not satisfy the requirements of Title 28 United States Code, Section 1400(b) controlling venue in patent cases. The other order—that entered by respondent Judge Leahy—denied petitioners' motion to retransfer the case back to California. This last motion was, in substance, an effort to have respondent Judge Leahy review the venue ruling of Judge Harrison in the *Gulf et al.* v. *Schlumberger* case. Both orders are reviewable by statute on appeal after final judgment.

The controlling decisions of this Court are explicit to the effect that mandamus is an extraordinary remedy reserved for really extraordinary cases; that it may not be used as a substitute for appeal; that it may not be used by a Court of Appeals to review a district court's ruling for an alleged error in the exercise of its judicial power; and that an assertion of an alleged hardship on the part of litigants required to await the statutory appeal does not justify resort to the writ of mandamus as a substitute for such an appeal. Under these controlling decisions, the Court of Appeals for the Third Circuit properly held that mandamus was inappropriate on the petition submitted to it.

The 1948 Revision of the Judicial Code did not Change the Law as to Venue for Patent Infringement Cases.

The venue issue in the *Gulf et al.* v. *Schlumberger* case presents the question as to whether Congress, by the 1948 revision of the Judicial Code, intended to change and broaden the law controlling venue in patent actions against corporate defendants, by having the general provisions of Title 28 United States Code, Section 1391(c) apply to and modify the special patent venue provisions of Section 1400(b), not whether the language used in either section

is ambiguous or unambiguous, given a proper situation for application.

In determining this issue, it is proper for the Court to consider every available aid to ascertain the real intent of Congress. In the present case, the language used in Section 1400(b), the emasculation of that language which necessarily results if Section 1391(c) is applied to Section 1400(b), the spirit and the letter of the ruling by this Court in *Stonite Co.* v. *Melvin Lloyd Co., supra,* the legislative history of both Sections 1391(c) and 1400(b) including the pertinent reviser's notes, and the applicable rules of this Court governing the questions of statutory interpretation in issue here, make it clear beyond doubt that Congress did not intend any such broadening change in the law for venue in patent actions against corporate defendants as would result by having Section 1391(c) apply to and modify Section 1400(b).

ARGUMENT

I. THE COURT OF APPEALS FOR THE THIRD CIRCUIT PROPERLY DENIED THE PETITION FOR A WRIT OF MANDAMUS.

The first question for decision here is whether the Court of Appeals for the Third Circuit erred in holding the writ of mandamus inappropriate to review an alleged error in the decision of the Delaware District Court (respondent, Judge Leahy) denying petitioners' motion in that Court to retransfer the *Gulf et al.* v. *Schlumberger* case back to the Southern District of California.

Respondents concede that the Court of Appeals had the power to issue the writ (Title 28 United States Code, Section 1651 (a)) but contend that under the usages and principles of law controlling the exercise of that power, as established by the applicable decisions of this Court, this case was not an appropriate one for the issuance of the writ of mandamus.

The purpose of the petition in the Court of Appeals for the Third Circuit was to obtain review in advance of trial of Judge Leahy's order denying petitioners' motion to retransfer the *Gulf et al.* v. *Schlumberger* case. Inherent in the petition was an assertion of error in the venue ruling of the California District Court on which was based Judge Harrison's order transferring the case from the Southern District of California to the District of Delaware. Each of these orders was interlocutory. Each was wholly within the judicial powers of the respective judges. The petition to the Court of Appeals for the Third Circuit for a writ of mandamus directed to Judge Leahy (like the earlier petition to the Court of Appeals for the Ninth Circuit for a writ of mandamus directed to Judge Harrison) alleged merely errors in the exercise

of these judicial powers. By Congressional enactment and policy such orders are reviewable by Courts of Appeals, but only on appeal after final judgment (Title 28 United States Code, Section 1291).

The circumstances of this case, viewed in the light of the applicable decisions of this Court, make it clear that mandamus was inappropriate on the petition submitted to the Court of Appeals for the Third Circuit in the present case. Mandamus is an extraordinary remedy reserved for really extraordinary cases. In *Ex Parte Fahey* (1947), 332 U. S. 258, 260, this Court said:

> "Mandamus, prohibition and injunction against judges are drastic and extraordinary remedies. We do not doubt power in a proper case to issue such writs. But they have the unfortunate consequence of making the judge a litigant, obliged to obtain personal counsel or to leave his defense to one of the litigants before him. These remedies should be resorted to only where appeal is a clearly inadequate remedy. We are unwilling to utilize them as substitutes for appeals. As extraordinary remedies, they are reserved for really extraordinary causes."

Mandamus, being an extraordinary remedy, may not be availed of by appellate courts to correct mere errors in the exercise of conceded judicial power by district courts, *De Beers Mines* v. *United States* (1945), 325 U. S. 212, 217. It may not be used as a substitute for an authorized appeal, *Ex Parte Fahey, supra; U. S. Alkali Assn.* v. *United States* (1945), 325 U. S. 196, 203. As this Court said in *Roche* v. *Evaporated Milk Assn.* (1943), 319 U. S. 21, 30:

> "• • • Respondents stress the inconvenience of requiring them to undergo a trial in advance of an

> appellate determination of the challenge now made to the validity of the indictment. We may assume, as they allege, that that trial may be of several months' duration and may be correspondingly costly and inconvenient. But that inconvenience is one which we must take it Congress contemplated in providing that only final judgments should be reviewable. Where the appeal statutes establish the conditions of appellate review, an appellate court cannot rightly exercise its discretion to issue a writ whose only effect would be to avoid those conditions and thwart the Congressional policy against piecemeal appeals in criminal cases. Cobbledick *v.* United States, 309 U. S. 323."

It is only in cases where the appeal provided by statute is clearly inadequate that resort to the remedy of mandamus is proper, *Ex Parte Fahey, supra.* Inadequacy of the remedy provided by appeal is not shown by inconvenience or alleged hardship on litigants required to await the statutory appeal, *Roche* v. *Evaporated Milk Assn., supra; U. S. Alkali Assn.* v. *United States, supra; Ex Parte Park Square Automobile Station* (1917), 244 U. S. 412.

The usages and principles of law controlling the exercise of the power to grant the writ of mandamus are established by the decisions of this Court, of which the cases discussed above are illustrative. These usages and principles are clear and unqualified. Adherence to them required the Court of Appeals for the Third Circuit to deny mandamus in the present case.

This case does not present a situation where mandamus was sought to prevent a district judge from exceeding his judicial powers as suggested by petitioners (Petitioners' Brief, p. 43). In ruling on the propriety of venue for the *Gulf et al.* v. *Schlumberger* case in California, Judge Har-

rison was acting well within his judicial powers; and having ruled that venue was improper in California, Judge Harrison's transfer order was likewise within the powers expressly conferred upon him by Title 28 United States Code, Section 1406(a). His decision on the venue issue, if erroneous, "involved no abuse of judicial power, and any error which it (he) may have committed is reviewable • • • upon appeal appropriately taken from final judgment" *Roche* v. *Evaporated Milk Assn., supra* (319 U. S. at p. 27). In "such cases appellate courts are reluctant to interfere with the decision of a lower court on jurisdictional questions which it was competent to decide and which are reviewable in the regular course of appeal", *Roche* v. *Evaporated Milk Assn., supra* (319 U. S. at p. 26).

Petitioners' argument (Petitioners' Brief, p. 47) that mandamus is proper in the present case because the alleged error in Judge Harrison's ruling on venue may not be reversible error is without merit. That argument is based on the premise that if petitioners are correct in their contention that venue for the *Gulf et al.* v. *Schlumberger* case was proper in California and regardless of whether they are prejudiced by the transfer to the Delaware District, they have some absolute right to a trial by the California rather than the Delaware District Court. The argument must fall with the premise. "No party has a vested right to have his cause tried by one judge rather than by another of equal jurisdiction • • •", *Crosley Corporation* v. *Hazeltine Corporation* (C.C.A. 3, 1941), 122 F. (2d) 925, 930. An appeal in the *Gulf et al.* v. *Schlumberger* case from final judgment will be just as adequate as in any other case where an objection to jurisdiction or venue is overruled by the trial court and, after trial, is

sustained on appeal from final judgment, *Blank* v. *Bitker* (C.C.A. 7, 1943), 135 F. (2d) 962. These considerations make it clear that no extraordinary circumstances were presented to the Court of Appeals for the Third Circuit to warrant resort to the extraordinary remedy of mandamus.

Only two other decisions of Courts of Appeals involving the appropriateness of the writ of mandamus to review an order providing for or denying a transfer under Section 1406(a) are at hand. In one, *Gulf Research & Development Co.* v. *Harrison, supra,* the petitioners here sought review of Judge Harrison's transfer order involved in these proceedings by petition to the Court of Appeals for the Ninth Circuit for a writ of mandamus. The decision in the Ninth Circuit case is in full accord with the decision of the Court of Appeals for the Third Circuit here in issue. The other case is *C-O-Two Fire Equipment Co.* v. *Barnes* (C.A. 7, 1952), 194 F. (2d) 410, now before this Court on writ of certiorari. That case arose out of a patent infringement action entitled *Cardox Corporation* v. *C-O-Two Fire Equipment Co.,* C.A. No. 51 C 1007, in the United States District Court for the Northern District of Illinois, Eastern Division. The defendant, C-O-Two Fire Equipment Co. brought a motion under Section 1406(a) to dismiss the complaint, or, in the alternative, to transfer the case to another district on the ground that venue as laid in the Illinois District was improper. The Illinois District Court (Barnes, J.) denied the motion. Defendant filed its petition in the Court of Appeals for the Seventh Circuit for a writ of mandamus directed to Judge Barnes to set aside his order denying defendant's motion and to dismiss the complaint or to transfer the case as requested by the motion. The Court of Appeals for the Seventh Circuit entertained the

petition and granted the writ. The Court's opinion, however, makes it apparent that the writ was granted principally on the basis of petitioner's assertion and intervenor's concession (respondent did not appear) that mandamus was appropriate.

The cases cited by petitioners (Petitioners' Brief, pp. 51-55) do not support their contentions.

Ex Parte Collett (1949), 337 U. S. 55, *Kilpatrick* v. *Texas & Pacific R. Co.* (1949), 337 U. S. 75, and *United States* v. *National City Lines* (1949), 337 U. S. 78, each involved a motion for leave to file in this Court a petition for a writ of certiorari or mandamus to review an order entered by a district judge under Title 28 United States Code, Section 1404(a) transferring the action involved to a different district for the convenience of the parties or witnesses. In *Ex Parte Collett* and *Kilpatrick* v. *Texas & Pacific R. Co.* the question raised by the petition was whether Section 1404(a) had application to actions under the Federal Employers Liability Act. In the *National City Lines* case the question was whether Section 1404(a) had application to anti-trust suits. The Court assigned each of the three cases for argument on the motion. In each the motion for leave to file the petition for the extraordinary remedy was denied. While the Court stated its views on the merits of the error alleged in each case, the Court expressly stated (in *Ex Parte Collett,* 337 U. S. at p. 72) that it did not decide whether mandamus was appropriate in such cases.

Foster-Milburn Co. v. *Knight* (C.A. 2, 1950), 181 F. (2d) 949, *Shapiro* v. *Bonanza Hotel Co., Inc.* (C.A. 9, 1950), 185 F. (2d) 777, and *Fettig Canning Co.* v. *Steckler* (C.A. 7, 1951), 188 F. (2d) 715, each involved a transfer order under Section 1404(a). In each case, the order in

issue transferred the action to a district in which it could not have been brought in the first place, contrary to the express provisions of Section 1404(a). This is not the case here. The *Gulf et al.* v. *Schlumberger* case admittedly could have been brought in the District of Delaware, the district where Schlumberger is incorporated. With respect to *Foster-Milburn Co.* v. *Knight, supra,* the Court of Appeals for the Ninth Circuit in *Gulf Research & Development Company et al.* v. *Harrison, supra,* footnote 7 (R. 19) said:

> "The alleged error is to be distinguished from that involved in Foster-Milburn Co. *v.* Knight, 2 Cir. 1950, 181 F. 2d 949. The order reviewed in that case purported to transfer the case to a court which would not have jurisdiction over the parties. The error was therefore not merely potentially reversible error on appeal, but would render void any final judgment ultimately obtained, and may be regarded as analogous to a refusal to exercise effectively jurisdiction properly invoked."

Magnetic Engineering & Mfg. Co. v. *Dings Mfg. Co.* (C.A. 2, 1950), 178 F. (2d) 866, *Ford Motor Co.* v. *Ryan* (C.A. 2, 1950), 182 F. (2d) 329, *Paramount Pictures* v. *Rodney* (C.A. 3, 1950), 186 F. (2d) 111, *Atlantic Coastline R. Co.* v. *Davis* (C.A. 5, 1950), 185 F. (2d) 766, *Nicol* v. *Koscinski* (C.A. 6, 1951), 188 F. (2d) 537 and *Wiren* v. *Laws* (C.A. D. of C., 1951), 194 F. (2d) 873, (Petitioners' Brief pp. 52-54) likewise have to do with situations where the district court transferred or refused to transfer an action under the provisions of Title 28 United States Code, Section 1404(a) to suit the conveniences of the parties and witnesses as to the place of trial. Each involved an "issue which in its nature must be reviewed before trial, if at all", *Pennsylvania Turnpike Commission* v. *Welsh* (C.A.

3, 1951), 188 F. (2d) 447, 449 footnote 2. These cases are wholly irrelevant to the questions presented here.

Arrowhead Co. v. *The Aimee Lykes* (C.A. 2, 1951), 193 F. (2d) 83, and *Anthony* v. *Kaufman* (C.A. 2, 1951), 193 F. (2d) 85, if in point at all, support respondents. These cases also relate to transfer orders under Section 1404(a). In each the Court held that mandamus would not lie to review such an order where the error alleged involved merely an abuse of discretion.

In the present case, petitioners do not assert an abuse of discretion by Judge Harrison. They suggest that Judge Harrison was without power to issue the transfer order in question, but, in fact, allege nothing more than an asserted error in the application of law—Sections 1391(c) and 1400(b)—to the case in issue (*supra,* pp. 12-13). Mandamus is not available to correct mere errors in a district court's exercise of judicial powers conferred on it by statute, *De Beers Mines* v. *United States, supra.*

In the circumstances of this case, the pertinent decisions of this Court make it clear that the Court of Appeals for the Third Circuit properly denied the extraordinary writ of mandamus to review the decision of respondent, Judge Leahy, denying petitioners' motion to retransfer the *Gulf et al.* v. *Schlumberger* case back to the California District Court. If petitioners were entitled to review of Judge Harrison's ruling on venue it was not by motion in Judge Leahy's court. By the same token, the writ of mandamus was inappropriate to review Judge Leahy's decision.

II. THE 1948 REVISION OF THE JUDICIAL CODE DID NOT CHANGE THE LAW AS TO VENUE FOR PATENT INFRINGEMENT CASES.

The question for decision on this issue is whether the 1948 revision of the Judicial Code, Act of June 25, 1948, c. 646, 62 Stat. 869-984, changed the law and enlarged the permissible venue for patent infringement actions against corporate as distinguished from individual and partnership defendants[4]. On this question the Courts of Appeals for the Seventh and Fifth Circuits are in direct conflict, *C-O-Two Fire Equipment Co.* v. *Barnes, supra* (now before this Court on writ of certiorari), *Dalton* v. *Shakespeare* (C.A. 5, 1952), 196 F. (2d) 469 (decided since the petition for writ of certiorari in the present case was granted).

In the present proceedings the question stems from the decision of Judge Harrison of the United States District Court for the Southern District of California, Central Division, in *Gulf Research & Development Co. et al.* v. *Schlumberger Well Surveying Corporation* (R. 11) *supra.*

In that case, Judge Harrison held that the venue requirements for patent infringement actions were the same after the 1948 revision of the Judicial Code as they had been before; that Title 28 United States Code, Section 1400(b) was the exclusive provision controlling venue in patent infringement actions; that Section 1400(b) was not to be read in the light of or supplemented by the general provisions of Section 1391(c); that, properly construed, Section 1400(b) limited venue in a patent action against a corporate defendant to the district in which the defendant corporation was incorporated or to a district in which

4. Since respondent, Judge Leahy, did not express an opinion on this issue, this section of this brief will be limited to the views of respondent, Schlumberger Well Surveying Corporation.

such defendant had committed acts of infringement and had a regular and established place of business; and that since the California District satisfied neither of these alternative venue requirements of Section 1400(b), venue in *Gulf et al.* v. *Schlumberger* was improperly laid in the California District.

Petitioners argued before Judge Harrison, as they argue here, that the 1948 revision of the Judicial Code changed the law and enlarged the venue for patent actions in so far as concerns corporate defendants. Their contention is that Section 1400(b) should be read in the light of and supplemented by the provisions of Section 1391(c), one of the general provisions relating to venue for ordinary actions.

Section 1400(b) provides:

> "Any civil action for patent infringement may be brought in the judicial district where the defendant resides, or where the defendant has committed acts of infringement and has a regular and established place of business."

Section 1391 is made up of four subsections. Subsection (a) specifies venue requirements for diversity of citizenship cases. Subsection (b) provides for the venue of actions in which jurisdiction is not founded on diversity of citizenship and in which venue is not otherwise provided for by law. Subsection (c) provides:

> "A corporation may be sued in any judicial district in which it is incorporated or licensed to do business or is doing business, and such judicial district shall be regarded as the residence of such corporation for venue purposes."

Subsection (d) relates to actions against aliens.

Petitioners argue that if the provisions of Section 1391(c) are read as applying to Section 1400(b), venue

in a patent action against a corporate defendant may be laid in any district in which defendant is doing business or is licensed to do business as well as in the districts specified in Section 1400(b). Stated in other words, petitioners argue that by the 1948 revision of the Judicial Code, Congress intended to give patent owners, in so far as concerns suits against corporate defendants, a much wider choice in the selection of a forum in which to put their patent to the test of litigation.

These contentions are wholly without substance. They ignore the intent of Congress as clearly expressed in the language actually used in Section 1400(b). They do violence to that language in that they would render meaningless or redundant as to corporate defendants the proviso therein for suit in the district in which the defendant has committed acts of infringement and has a regular and established place of business. If petitioners' arguments are accepted, any corporation having "a regular and established place of business" in a district, would be a resident of that district and suable there as a "resident" regardless of whether it had committed acts of infringement in the district. As Judge Tamm said in *Nachtman* v. *Jones & Laughlin Steel Corporation* (D. C. D. of C., 1950), 90 F. Supp. 739, in rejecting similar contentions in that case:

> "This, in effect, would result in §1400(b) being interpreted as follows: 'Any civil action for patent infringement may be brought in any judicial district where the defendant is incorporated or licensed to do business or is doing business, or where the defendant has committed acts of infringement and has a regular and established place of business,' thereby completely nullifying the specific venue statute relative to patent infringement suits."

See also *C-O-Two Fire Equipment Co.*, v. *Barnes, supra,* 194 F. (2d) at p. 413.

In the *Gulf et al.* v. *Schlumberger* case Judge Harrison expressly rejected petitioners' contentions with the statement (R. p. 15):

> "• • • I hold that Section 1391(c) is not complementary to Section 1400(b); that the word 'resides' in Section 1400(b) means the same as the word 'inhabitant' in the former Section 109, and that the interpretation placed upon said former Section 109 applies to its revision as set forth in the revised Section 1400(b). I believe the Stonite case is still the law and the fact that the defendant committed no acts of infringement in this district indicates to me that the venue is improper."

Judge Harrison's ruling on this issue is well supported. For over fifty years prior to the 1948 revision of the Judicial Code the statutes controlling venue in patent cases had limited such actions to the district of which the defendant was a resident or an inhabitant, or the district in which he had a regular and established place of business and had committed acts of infringement. Corporate defendants, in such cases have been held to be residents or inhabitants only of the state by which they were created. These provisions were held to have conferred upon defendants in patent cases a privilege restricting the places in which suits could be maintained against them. *General Elec. Co.* v. *Marvel Co.* (1932), 287 U. S. 430, 435; *Stonite Co.* v. *Melvin Lloyd Co., supra.* No purpose is discernible in the revision of the Judicial Code to eliminate or minimize this privilege or the protection which it afforded.

A. The Law as it Existed From 1897 to 1948 Limited Patent Actions Against Corporate Defendants to the District of the State of Incorporation or the District in which such Defendant had Committed Acts of Infringement and had a Regular and Established Place of Business.

Prior to 1897, venue in patent cases was controlled by the general venue provisions of the Act of March 3, 1875, c. 137, 18 Stat. 470, which permitted such suits to be brought wherever the defendant was "found". Special venue provisions for patent cases originated with the Act of March 3, 1897, c. 395, 29 Stat. 695, which provided that

> "* * * in suits brought for the infringement of letters patent the circuit courts of the United States shall have jurisdiction, in law or in equity, in the district of which the defendant is an inhabitant, or in any district in which the defendant, whether a person, partnership, or corporation, shall have committed acts of infringement and have a regular and established place of business."

This Act was adopted to define exact limits for venue in patent cases. Its purpose was to protect defendants from the abuses engendered in such cases by the broad provisions of the Act of 1875 (*Bowers* v. *Atlantic, G. & P. Co.* (C.C. S.D. N.Y., 1900), 104 Fed. 887, 890, 891, *Stonite Co.* v. *Melvin Lloyd Co., supra,* 315 U. S. at pp. 564, 565).

The Act of 1897 was substantially reenacted by Congress by the Act of March 3, 1911, c. 231, 36 Stat. 1100, as Section 48 of the Judicial Code of 1911. This section of the 1911 Act provided:

> "In suits brought for the infringement of letters patent the district courts of the United States shall have jurisdiction, in law or in equity, in the district of which the defendant is an inhabitant, or in any district in which the defendant, whether a

person, partnership, or corporation, shall have committed acts of infringement and have a regular and established place of business."

During the fifty-one years subsequent to the Act of 1897 and prior to the 1948 revision of the Judicial Code, the courts were in complete agreement in limiting the venue in patent cases against corporate defendants to the district in which the defendant was incorporated or the district in which it had a place of business and had committed acts of infringement. See *Bowers* v. *Atlantic, G. & P. Co., supra, Bulldog Electric Prod. Co.* v. *Cole Electric Prod. Co.* (C.C.A. 2, 1943), 134 F. (2d) 545, 547, *Blaw-Knox Co.* v. *Lederle* (C.C.A. 6, 1945), 151 F. (2d) 973, and *Motoshaver, Inc.* v. *Schick Dry Shaver* (C.C.A. 9, 1938), 100 F. (2d) 236. It was equally well settled that the special venue provisions for patent cases were not to be enlarged or supplemented by the broader language appearing in the general venue sections. *Stonite Co.* v. *Melvin Lloyd Co., supra.*

Nothing in the 1948 revision of the Code indicates an intent by Congress to change this settled law.

B. The Rationale of the *Stonite* Case Is Controlling Here.

What petitioners are attempting to do in this case is to use the general venue provisions of Section 1391(c), as a means for enlarging and supplementing the special venue provisions for patent cases, in precisely the same way that the plaintiff in *Ackerman* v. *Hook* (C.A. 3, 1950), 183 F. (2d) 11, tried to use Section 1392(a) for that purpose, and the plaintiff in *Stonite Co.* v. *Melvin Lloyd Co., supra,* tried to use Section 52 of the 1911 Judicial Code (Title 28 United States Code, Section 113, 1940 Edition) to enlarge and supplement the patent venue provisions of Section 48 of that Code.

Old Section 52 provided:

> "* * * When a State contains more than one district, every suit not of a local nature, in the district court thereof, against a single defendant, inhabitant of such State, must be brought in the district where he resides; but if there are two or more defendants, residing in different districts of the State, it may be brought in either district, * * *."

Section 1392(a) provides as follows:

> "Any civil action, not of a local nature, against defendants residing in different districts in the same State, may be brought in any of such districts."

Sections 1391, 1392 and 1393, are general venue provisions[5]. Like sections 51 and 52 of the Judicial Code of 1911, they are applicable to "ordinary actions" (*Ex parte Collett, supra*). The controlling law as to the relationship between the statutory provisions for venue in patent cases and general venue provisions, such as revised Sections 1391-1393, is succinctly stated in *Stonite Co.* v. *Melvin Lloyd Co., supra.* That case (decided prior to the Code revision) involved an attempt to supplement Section 48 of the 1911 Judicial Code controlling venue in patent cases by resort to the general provisions of Section 52 of the same Code which appeared in the statute as an exception to Section 51, the general venue provision controlling venue in diversity of citizenship cases and other cases not expressly provided for by law. Plaintiffs' purpose in this regard was to support a patent action in the Eastern District of Pennsylvania, against two Pennsylvania corpo-

5. Section 1393 is similar to Section 1392 in that it provides for cases where there are several defendants residing in different divisions of the same district.

rations, one an inhabitant of the Eastern District, the other of the Western District of Pennsylvania. In completely rejecting these contentions, the Court said (at p. 561):

> "The only question presented for our determination is whether §48 of the Judicial Code (28 U. S. C. §109) is the sole provision governing the venue of patent infringement litigation, or whether that section is supplemented by §52 of the Judicial Code (28 U. S. C. §113).
>
> • • •
>
> "We hold that §48 is the exclusive provision controlling venue in patent infringement proceedings.
>
> • • •
>
> "• • • §52 appears in the Judicial Code as an exception to §51, the general venue provision derived from the Act of 1887, as amended. See Camp *v.* Gress, 250 U. S. 308, 315. *Section 51 is, of course, not applicable to patent infringement proceedings.* General Electric Co. *v.* Marvel Co., supra. Since §48 is wholly independent of §51, there is an element of incongruity in attempting to supplement §48 by resort to §52, an exception to the provisions of §51. Cf. Connecticut Fire Ins. Co. *v.* Lake Transfer Corp., 74 F. 2d 258." (Emphasis added.)

The *Stonite* case is still the law (*Ackerman* v. *Hook, supra*). Under its rationale, Section 1400(b) of the revised Judicial Code is wholly independent of the "general venue" provisions of Sections 1391-1393 just as old Section 48 of the 1911 Judicial Code was held to be independent of old Sections 51 and 52 of the same Code. To the same effect see *Rava* v. *Westinghouse Electric Corporation* (D. C. S. D. N. Y., 1950), 90 F. Supp. 707, *Arkay Infants Wear* v. *Kline's, Inc.* (D. C. W. D. Mo., W. D., 1949), 85

F. Supp. 98, and *Fischer* v. *Karl* (D.C. E.D. N. Y., 1949), 84 F. Supp. 53.

There is nothing in the language used in Section 1391(c) that indicates an intent by Congress that its provisions should apply where Section 1392(a) or old Section 52 admittedly would not.

The language used in Section 1392(a) as well as that used in old Section 52 is as broad as that used in Section 1391(c). However, all three are general venue provisions. Under the rationale of the *Stonite* case Section 1391 (c) can not be used to enlarge the venue for patent cases.

The term "resides" in Section 1400(b) and as applied to corporate defendants has a definite and precise meaning, viz., the district of the state of incorporation. (See *Shaw* v. *Quincy Mining Company* (1892), 145 U. S. 444, 450.) Resort to Section 1391(c) to give a different meaning to "resides" in 1400(b) would necessarily result in modification of Section 1400(b) by Section 1391(c). Section 1400(b), like old Section 48, was designed to "define the exact jurisdiction of the federal courts in actions to enforce patent rights". That purpose in and of itself indicates that Congress did not intend the special venue section "to dovetail with the general provisions relating to the venue of civil suits, but rather that it alone should control venue in patent infringement proceedings." *Stonite Co.* v. *Melvin Lloyd Co., supra.*

In this regard, petitioners argue (Petitioners' Brief, pp. 26-29) that unless section 1391(c) is held to apply to all of the special venue provisions of Title 28 United States Code, Chapter 87, including section 1400(b), the whole chapter is rendered inconsistent and conflicting.

This argument is without substance. Whether section 1391(c) has application to one or another of the other special venue provisions found in the statutes may be

determined in each instance and in an appropriate case by ascertaining the intent of Congress as evidenced by the language, purpose and legislative history of the particular special venue section in question. For example, in *Lipp* v. *National Screen Service Corp.* (D.C. E.D. Pa., 1950) 95 F. Supp. 66, the Court held that the special venue provisions for anti-trust actions, Title 15 United States Code, Section 22 (Act of Oct. 15, 1914, c. 323 §12, 38 Stat. 736), were supplementary to and not restrictive of the general venue provisions of the Code. It held, therefore, that Section 1391(c) applied to such cases. That case is not controlling here. In the present case the intent of Congress to confine litigants in patent actions to the special venue provisions succinctly and specifically set forth in Section 1400(b) is clearly evidenced by the language, purpose and legislative history of that section.

C. The Issue Presented is One of Congressional Intent.

In the *Gulf et al.* v. *Schlumberger* case Judge Harrison held that the available evidence showed clearly that Congress did not intend Section 1391(c) to apply to cases coming within Section 1400(b). His conclusions as to Congressional intent in this regard were based on the language used in the two sections under consideration, the legislative history of the two sections including the pertinent Reviser's Notes, and the effect which petitioners' contentions would have on each section and on the law respecting patent venue. These considerations compelled Judge Harrison's ruling.

The present controversy does not center on the ambiguity or lack of ambiguity in the language used in Section 1391(c) or Section 1400(b). The question here is whether Congress intended Section 1391(c) to apply to Section 1400(b) and thus (1) change the law providing for venue in patent cases as it had existed for over half a century

prior to the 1948 revision; (2) materially broaden the venue requirements for such cases to the extent that they involve corporate defendants; and (3) render ambiguous or meaningless certain of the otherwise unambiguous provisions of Section 1400(b).

As to this issue—whether Section 1391(c) was intended to apply to Section 1400(b)—interpretation is required, just as interpretation was required in the *Stonite* case to determine whether Congress intended Section 52 of the 1911 Judicial Code to apply to and supplement Section 48 of that Code. In each instance, the language used in the general venue provisions (old Section 52 in the *Stonite* case and Section 1391(c) in the present case) was unambiguous, given a proper situation for application. In each instance, the language used was itself broad enough to encompass patent cases. In each instance the question in issue was whether Congress intended the general section to apply to and supplement the special patent venue section. In the *Stonite* case the Court looked to the legislative history of the sections in issue there and concluded that Congress had not intended old Section 48, controlling special venue for patent cases, to be supplemented by the general venue provisions of old Section 52. The same rationale applies here.

D. The Court May and Should Look to Explanatory Legislative History to Determine Whether Congress Intended Section 1391(c) to Apply to and Supplement Section 1400(b).

In the interpretation of statutes such as are involved in this case "the function of the courts is * * * to construe the language so as to give effect to the intent of Congress. There is no invariable rule for the discovery

of that intention" *United States* v. *American Trucking Associations* (1940), 310 U. S. 534, 542. In the present case the legislative history of Sections 1391(c) and 1400(b) makes it clear beyond doubt that Congress did not intend to change the venue privileges for corporate defendants in patent actions by having Section 1391(c) apply to and supplement Section 1400(b). On this issue the "clear and unambiguous" language of Section 1391(c) is silent (cf. Petitioners' Brief, p. 32). The intent of Congress in this regard must be determined from the language of Section 1400(b) and the explanatory legislative history.

There is no rule which forbids resort to explanatory legislative history for this purpose. As this Court said in *Harrison* v. *Northern Trust Co.* (1943), 317 U. S. 476, 479:

> "But words are inexact tools at best, and for that reason there is wisely no rule of law forbidding resort to explanatory legislative history no matter how 'clear the words may appear on "superficial examination."' United States *v.* American Trucking Assns., 310 U. S. 534, 543-44."

And in *United States* v. *American Trucking Associations, supra,* the Court said (310 U. S. at pp. 542-543):

> "There is, of course, no more persuasive evidence of the purpose of a statute than the words by which the legislature undertook to give expression to its wishes. Often these words are sufficient in and of themselves to determine the purpose of the legislation. In such cases we have followed their plain meaning. When that meaning has led to absurd or futile results, however, this Court has looked beyond the words to the purpose of the act. Frequently, however, even when the plain meaning did

> not produce absurd results but merely an unreasonable one '*plainly at variance with the policy of the legislation as a whole*' this Court has followed that purpose, rather than the literal words. When aid to construction of the meaning of words, as used in the statute, is available, there certainly can be no 'rule of law' which forbids its use, however clear the words may appear on 'superficial examination'. * * *'' (Emphasis added.)

Here there can be no doubt but that Section 1391(c), applied as petitioners urge, would produce an absurd result, plainly at variance with the policy of the statute. It would work a material change in the law where it is obvious from Section 1400(b) that none was intended. It would render meaningless as applied to corporations a portion of Section 1400(b) which was plainly intended to apply to corporations, thus defeating one of the expressed purposes of the legislation—the elimination of such overlapping and conflicting provisions. (See reviser Barron's statement before the House Sub-Committee, *infra* p. 40). These factors require the conclusion that on the face of the statute itself, it is, to say the least, doubtful that Congress intended, by the revision, to change the venue for patent infringement actions against corporate defendants. Thus, this case comes squarely within the language used by this Court in *United States* v. *Mo. Pac. R. Co.* (1929), 278 U. S. 269, 278, where it was said:

> "* * * Where doubts exist and construction is permissible, reports of the committees of Congress and statements by those in charge of the measure and other like extraneous matter may be taken into consideration to aid in the ascertainment of the true legislative intent."

The cases relied upon by petitioners (Petitioners' Brief, pp. 33-34) do not support the argument that in the present case the Court may not look to the legislative history of Sections 1391(c) and 1400(b) to determine whether Congress intended the former to apply to the latter, thus to broaden venue in patent actions against corporate defendants. In this regard, *Ex Parte Collett, supra,* is cited as authority for the proposition that "there is no need to refer to the legislative history where the statutory language is clear." That case, however, is not in point here. There the Court was considering two sections of the statutes which were fully compatible—one of which bestowed venue while the other provided for the transfer of venue properly laid. The Court could and did give effect to both provisions in accordance with the language of each because they were not inconsistent and neither abridged any right contained in the other. In the present case both sections in issue relate to venue and they cannot both be applied without emasculation of one portion of Section 1400(b). In these circumstances, the rule expressed in *Harrison* v. *Northern Trust Co., supra,* and *United States* v. *American Trucking Ass'ns, supra,* and applied in *Stonite Co.* v. *Melvin Lloyd Co., supra,* requires the Court to look to the legislative history to determine the intent of Congress. It should be noted, moreover, that in *Ex Parte Collett* the Court did examine extensively the legislative history of Section 1404(a) there in issue and concluded that such history fully supported the conclusion ultimately adopted. And in *United States* v. *Nat. City Lines, supra,* the Court, in determining the breadth of application for Section 1404(a), which was in issue in *Ex Parte Collett,* said:

> "• • • The reviser's notes are so obviously authoritative in perceiving the meaning of the Code

that the Government itself, in discussing a section other than §1404(a), refers to them in its brief in this case. And we have already had occasion to look to the reviser's notes. Stainback *v.* Mo Hock Ke Lok Po, 336 U. S. 368, 376, n. 12 (1949)."

See also *Lavin* v. *Lavin* (C.A. 2, 1950), 182 F. (2d) 870, 873, where the Court said:

"• • • The House report incorporated the Reviser's notes, and thus made them a valid source for interpretation, in addition to their inherent authority. • • •"

In this regard, reviser Barron, in an article entitled *The Judicial Code*, 8 F.R.D. 439, 445, states further:

"The usual rules of statutory construction, with one exception, apply to a statutory revision. That exception is important and its reasons should be readily recognized.

"Because of the necessity of consolidating, simplifying and clarifying numerous component statutory enactments no changes of law or policy will be presumed from changes of language in revision unless an intent to make such changes is clearly expressed. Mere changes of phraseology indicate no intent to work a change of meaning but merely an effort to state in clear and simpler terms the original meaning of the statute revised.

"Congress recognized this rule by including in its reports the complete Reviser's Notes to each section *in which are noted all instances where change is intended* and the reasons therefor.

"The rule is well settled. • • •" (Emphasis added.)

This is the rule of *United States* v. *Ryder* (1884), 110 U. S. 729, 740, where the Court said:

"• • • It will not be inferred that the legislature, in revising and consolidating the laws, in-

tended to change their policy, unless such intention be clearly expressed."

See also *McDonald* v. *Hovey* (1884), 110 U. S. 619, 629; *Panama Railroad Company* v. *Johnson* (1924), 264 U. S. 375, 384.

Since under this rule the purpose of the revision was not to change the law as it had theretofore existed, resort to the Reviser's Notes is not only proper but necessary before reaching any interpretation of the revised Code which would effect a change in the law as it existed theretofore.

E. The Legislative History of Sections 1391(c) and 1400(b), Including the Law as it Existed Prior to the Revision, the Origin of and Language Used in Each Section, the Reviser's Notes and Committee Hearings and Reports, Require the Conclusion that Congress Did Not Intend to Change Venue for Patent Cases.

There is no doubting that the application of Section 1391(c) to Section 1400(b) would work a material change in law controlling venue in patent cases as it existed prior to the revision (See, *supra*, p. 20). That fact, considered in the light of the language used in these two sections, particularly that used in Section 1400(b), the reviser's notes and the Committee Reports and Hearings, makes it clear beyond question that Congress did not intend Section 1391(c) to apply to patent cases controlled by Section 1400(b).

(1) The Origin of and the Language Used in Section 1400(b).

Title 28 United States Code, Section 1400(b) was taken directly from Section 48 of the Judicial Code of 1911 (Title 28 United States Code, Section 109, 1940 Edition) with

only slight changes in phraseology. (See Reviser's Notes following Section 1400(b).) As the Court of Appeals for the Third Circuit said in *Ackerman* v. *Hook, supra,* (183 F. (2d) at p. 13):

> "Section 1400(b) stems directly from its forerunner, Section 109, United States Code, 1940 Edition, Section 48 of the Judicial Code of 1911. The Reviser's Notes leave no doubt as to this. It is there stated that 1400(b) 'is based on Section 109 of title 28, U. S. C., 1940 ed.' • • • The Notes point out that 1400(b) differs from Section 109 only in the following minor instances: (1) 'Words "civil action" were substituted for "suit," and words "in law or in equity," after "shall have jurisdiction" were deleted, in view of rule 2 of the Federal Rules of Civil Procedure'; (2) 'Words in subsection (b) "where the defendant resides" were substituted for "of which the defendant is an inhabitant" '; (3) 'Words "whether a person, partnership, or corporation" before "has committed" were omitted as surplusage. • • •'
>
> "• • • The Reviser's Notes make it evident that today, 1400(b) stands in the same situation as did Section 109 at the time of the Stonite opinion in 1942 • • •."

The language used in Section 1400(b) contains no suggestion of Congressional intent to effect a change in substance in the law so as to permit a patent suit against a corporate defendant in any district in which such a defendant is doing business or is licensed to do business. Such intent is not to be inferred from the substitution of the words "district in which defendant resides" in the revision for the words "the district of which defendant is an inhabitant" in the predecessor section. Had that been the intent of Congress, it is inconceivable that the revision would have adopted as it did, and substantially without

change, the provisions of Section 48 of the Code of 1911 for alternative venue in the district in which the defendant has committed acts of infringement and has a regular and established place of business. This alternative ground for venue clearly was intended to apply to corporate, as well as to individual and partnership defendants. The language used is, to say the least, most inapt to express any contrary intent by Congress. *Bowers* v. *Atlantic, G. & P. Co.* (C.C. S.D. N.Y., 1900), 104 Fed. 887, 892.

This was not hasty, ill-considered legislation. It occupied five years of Congressional effort (Cf. *Ex Parte Collett, supra,* 337 U. S. at p. 65) and, in the circumstances, the emasculation of Section 1400(b) as applied to corporate defendants which follows if petitioners' contentions are accepted (*supra* p. 18) would scarcely have escaped attention. No such incongruous result could have been intended.

(2) *The Origin of and Language Used in Section 1391(c).*

There is nothing in the language used in Section 1391 which suggests that Congress intended that the provisions of subsection (c) should have application to patent cases controlled by Section 1400(b). On the contrary, the fact that the provisions upon which petitioners rely appear as a subsection of the general venue statute is itself indicative of a contrary intent. *Stonite Co.* v. *Melvin Lloyd Co., supra.*

Section 1391 merely revises Sections 50 and 51 of the Judicial Code of 1911 (Sections 111 and 112 of Title 28 United States Code, 1940 Edition). These are general venue provisions relating to ordinary actions (*Ex Parte Collett, supra,* 337 U. S. at p. 59) for which special venue requirements were not provided. Section 51 of the 1911 Judicial Code (Section 112 of Title 28 United States Code,

1940 Edition) controlled the venue in diversity of citizenship cases and other actions for which special venue was not provided by law. Section 50 related to suits against several defendants, one or more of which was neither an inhabitant nor "found" in the district of the suit. These sections were consolidated by the revision of the Code into Section 1391. The Reviser's Notes (following Section 1391) make it clear that subsection (c) was intended merely to eliminate the ambiguity which had resulted from the use of the word "found" in old Section 50. These notes state:

> "In subsection (c), references to defendants 'found' within a district or voluntarily appearing were omitted. The use of the word 'found' made said Section 111 ambiguous. The argument that an action could be brought in the district where one defendant resided and a nonresident defendant was 'found' was rejected in Camp *v.* Gress, 1919, 39 S. Ct. 478, 250 U. S. 308, 63 L. Ed. 997. However, this ambiguity will be obviated in the future by the omission of such reference."

Neither of Sections 50 or 51 of the 1911 Judicial Code had any application to patent cases. Both were "general venue provisions" and, as such, inapplicable to patent cases which were controlled exclusively by Section 48 of the 1911 Code. *Stonite Co.* v. *Melvin Lloyd Co., supra.* The same reasoning which precluded the use of old Section 52 to supplement old Section 48, should likewise preclude the use of Section 1391(c) to supplement Section 1400(b).

(3) *The Reviser's Notes and Committee Hearings and Reports.*

All that was said with respect to the legislative history of Section 48 of the 1911 Judicial Code in support of the holding by the Court in the *Stonite* case applies with

equal force in the present case to Section 1400(b) of the revised Code. In addition, in the instant case, the Reviser's Notes, which are "so obviously authoritative in perceiving the meaning of the Code" (*United States* v. *Nat. City Lines, supra*), permit of no conclusion other than that Congress did not intend to change venue in patent cases by having Section 1391(c) apply to Section 1400(b). That Congress intended the revised Code to be interpreted in the light of these Reviser's Notes cannot now be disputed (*supra*, pp. 31-33).

The Reviser's Notes (following Section 1391), to the extent that they are pertinent to Section 1391, are as follows:

> "Section consolidates said section 111 with part of said section 112.
>
> • • •
>
> "Word 'reside' was substituted for 'whereof he is an inhabitant' for clarity inasmuch as 'inhabitant' and 'resident' are synonymous. (See Ex parte Shaw, 1892, 12 S. Ct. 935, 145 U. S. 444, 36 L. Ed. 768; Standard Stoker Co., Inc. *v.* Lower, D. C., 1931, 46 F. 2d 678; Edgewater Realty Co. *v.* Tennessee Coal, Iron & Railroad Co., D. C. 1943, 49 F. Supp. 807.
>
> • • •
>
> "In subsection (c), references to defendants 'found' within a district or voluntarily appearing were omitted. The use of the word 'found' made said section 111 ambiguous. The argument that an action could be brought in the district where one defendant resided and a nonresident defendant was 'found', was rejected in Camp *v.* Gress, 1919, 39 S. Ct. 478, 250 U. S. 308, 63 L. Ed. 997. However, this ambiguity will be obviated in the future by the omission of such reference."

The above notes, particularly the statements referring to subsection (c) of Section 1391, make it abundantly clear that subsection (c) was intended to clarify and codify old Sections 111 and 112 (Sections 50 and 51 of the Judicial Code of 1911) as theretofore interpreted by the courts. So far as concerns Section 1400(b), subsection (c) of Section 1391 stands in the same position as its companion subsections (a) and (b). None is intended to apply to Section 1400(b) in any way.

The Reviser's Notes appended to Section 1400(b) are equally enlightening. They read, to the extent pertinent, as follows:

> "Section consolidates said section 111 of Title 17, with part of said section 109 of Title 28 with necessary changes in phraseology.
>
> "Subsection (b) is based on said Section 109 of Title 28, with the following changes:
>
> • • •
>
> "Words in subsection (b) 'where the defendant resides' were substituted for 'of which the defendant is an inhabitant.' A corresponding change was made in subsection (a). Words 'inhabitant' and 'resident', as respects venue, are synonymous. (See reviser's note under section 1391 of this title.)
>
> "Words 'whether a person, partnership, or corporation' before 'has committed' were omitted as surplusage."

The Reviser's Notes following the two sections in issue here belie completely petitioners' argument. Neither makes any suggestion of an intent to effect a change in the law controlling venue in patent actions. Petitioner's whole argument is based on the premise that the revisers' use in Section 1400(b) of the words "where the defendant resides" in place of the words "of

which defendant is an inhabitant", found in Section 48 of the 1911 Judicial Code (Section 109, Title 28 U. S. C. 1940 ed.), was indicative of a change in the law controlling venue in patent cases (Petitioners' Brief, p. 19). The argument, like the premise upon which it is based, is without any substance.

The Reviser's Notes state that, in Section 1391, the word "resides" was substituted for "whereof he is an inhabitant" for *clarity*. The notes go on to point out that the substitution for *clarity* was made because "inhabitant" and "resident" are synonymous. Controlling cases are cited as authorities.

The Reviser's Notes following Section 1400(b) are equally explicit. There it is stated: "Words 'inhabitant' and 'resident', as respects venue, are synonymous."

The statement (Petitioners' Brief, p. 19) that the word "inhabitant" had been "interpreted uniformly to mean only the state of incorporation where a corporation was involved" suggests by inference that the word "resident" had a broader meaning. That is not true (*Shaw* v. *Quincy Mining Company, supra*) but it is illustrative of the extent to which petitioners must go to support their contentions. The fact is that since the revisers used "resident" as synonymous with "inhabitant" the conclusion is inescapable that "resides" as used in Section 1400(b) must be given the same construction as had been given the word "inhabitant" in the predecessor statute, namely, only the state of incorporation where a corporation is involved. Stated in other words, it appears that the revisers acted advisedly in substituting the word "resident" in the revision for the word "inhabitant" in the predecessor statute to assure that no change in the law would result.

The complete absence of any note by the revisers compatible with petitioners' contentions is convincing evidence that neither the revisers nor Congress intended to have subsection (c) of Section 1391 apply to corporate defendants in patent cases and thus change the law as to venue in such cases. In this regard, the 1948 revision of the Judicial Code is unique. The statements of the chief reviser, Mr. Barron, in the monograph in 8 F. R. D. at p. 445 (*supra*, p. 32), as well as the reports and statements of the Representatives and Senators charged with the responsibility for the revision all are explicit on one point—that "any changes that were effected" by the revisions would be clearly noted in the Reviser's Notes.

Representative Robsion was Chairman of Subcommittee No. 1 of the House Judiciary Committee, which was responsible for the revision of the Judicial Code. Senator Wiley was Chairman of the corresponding Senate Committee. Various advisory committees assisted in the actual revision which was under the immediate charge of Mr. Barron.

At a hearing on March 7, 1947 before Subcommittee No. 1 of the House Judiciary Committee on H.R. 1600 and H.R. 2055, Mr. Barron said that the effort of the revisers was to produce a revised Code which would

> "• • • clarify ambiguities, *eliminate overlapping and conflicting provisions* of law and simplify existing law • • •." (emphasis added.) See United States Code, Congressional Service, 80th Congress, Second Session (West Publishing Co. & Edward Thompson Co.) p. 1964.

At the same hearing Representative Keogh, a member of the Subcommittee, stated in this regard:

> "The procedure that then was adopted was that the revisers in cooperation with the members of the

> staff of the committee on revision of the laws undertook the preparation of what we called preliminary drafts, which were careful statements of the proposed title, with complete revisers' notes under each section clearly pointing out the source of the section, any changes that were effected, the reasons for the change, and any other explanatory notes that the reviser felt would be helpful." See United States Code, Congressional Service, 80th Congress, Second Session (West Publishing Co. & Edward Thompson Co.) p. 1947.

The remarks of Mr. Zinn, Revision Counsel, Committee on the Judiciary, at the same hearing are likewise in point. See United States Code, Congressional Service, 80th Congress, Second Session (West Publishing Co. & Edward Thompson Co.) p. 1981.

With respect to the sections here involved, only one member of the Advisory Committee spoke before Subcommittee No. 1 on the question of venue at the March 1947 hearings. Mr. Moore, a paid consultant, stated on this issue that:

> "Venue provisions have not been altered by the revision. Two changes of importance have, however, been made. * * *" See United States Code, Congressional Service, 80th Congress, Second Session (West Publishing Co. & Edward Thompson Co.) p. 1969.

Moore then referred to Sections 1404 and 1406—which provide, respectively, for change of venue properly laid, and dismissal or transfer of actions where venue is improper—neither of which existed in the prior law.

In reporting the bill to the House of Representatives, House Report No. 308, to accompany H.R. 3214, 80th Congress, First Session, April 25, 1947, Mr. Robsion said:

> "So also, minor changes were made in the provisions regulating the venue of district courts in

order to clarify ambiguities or to reconcile conflicts. These are reflected in the reviser's notes under sections 1391-1406.

• • •

"The reviser's notes are keyed to sections of the revision and explain in detail every change made in text. References to court decisions are supplied wherever necessary or appropriate." See United States Code, Congressional Service, 80th Congress, Second Session (West Publishing Co. & Edward Thompson Co.) pp. 1697, 1699.

And Senator Wiley, Chairman of the Senate Judiciary Committee, in reporting the bill to the Senate, Senate Report No. 1559, to accompany H.R. 3214, 80th Congress, Second Session, June 9, 1947, stated in part:

"• • • Appended to the report are the revisers' notes to each section, together with accompanying tables. These explain in great detail the source of the law and the changes made in the course of the codification and revision." See United States Code, Congressional Service, 80th Congress, Second Session (West Publishing Co. & Edward Thompson Co.) p. 1676.

These statements and reports indicate the reason why the House report incorporated the Reviser's Notes and made them a valid source for interpretation of the revised Code (*Lavin* v. *Lavin, supra*). Along with the Reviser's Notes appended to the sections of the statute here involved, they indicate clearly that Congress did not intend to change the special venue provisions for patent cases as petitioners contend.

F. The Special Provisions of Section 1400(b) Must Control over the General Provisions of Section 1391(c).

The rule for statutory interpretation applicable here was aptly stated by Mr. Barron (the Chief Reviser of the Judicial Code) and his co-author, Judge Holtzoff, in "Federal Practice and Procedure" (at p. 135, Volume 1) as follows:

> "• • • A special venue statute, i.e., one expressly covering venue of a particular kind of action, will control over a general venue statute • • •."

This is an old and familiar rule. It is well stated in *MacEvoy Co.* v. *United States* (1944), 322 U. S. 102, 107 as follows:

> "• • • However inclusive may be the general language of a statute, it 'will not be held to apply to a matter specifically dealt with in another part of the same enactment. . . . Specific terms prevail over the general in the same or another statute which otherwise might be controlling.' Ginsberg & Sons *v.* Popkin, 285 U. S. 204, 208."

See also 25 Ruling Case Law, p. 1010; 59 Corpus Juris, sec. 623 1056; 50 Am. Jur. sec. 367; *Atkins* v. *The Disintegrating Company* (1873), 18 Wall. 272; *Ginsberg & Sons* v. *Popkin* (1931), 285 U. S. 204, 208.

Section 1391(c) is a general venue statute like its companion subsections (a) and (b) and Sections 1392 and 1393. It has no more application to the special venue provisions of Section 1400(b) controlling patent cases than do Sections 1392 or 1393 or the predecessor general venue provisions of these sections in the 1911 Judicial Code.

G. The Venue Ruling of Judge Harrison in the *Gulf et al. v. Schlumberger* case should be sustained.

In the *Gulf et al.* v. *Schlumberger* case, Judge Harrison held that the considerations discussed in the foregoing sections of this brief required the conclusion that Congress did not intend to change venue for patent actions by the 1948 revision of the Judicial Code. The same question was decided in the same way by Judge Tamm in *Natchman* v. *Jones & Laughlin Steel Corporation* (D.C. D. of C., 1950), 90 F. Supp. 739, prior to Judge Harrison's ruling, and by Judge Igoe in *Aetna Ball & Roller Bearing Co.* v. *The Federal Bearing Company, Inc.* (D.C. N.D. Ill., E.D., 1950), unreported, and the Court of Appeals for the Seventh Circuit in *C-O-Two Fire Equipment Co.* v. *Barnes, supra* (now before this Court on writ of certiorari), following Judge Harrison's ruling.

Petitioners' contentions here find support in the decisions in *Farr Co.* v *Gratiot* (D.C. S.D. Cal., C.D., 1950), 92 F. Supp. 320, *Radio Corporation of America* v. *Paramount Pictures, Inc. et al.* (D.C. S.D. Cal., C.D., 1950), unreported,[6] and *Dalton* v. *Shakespeare Co.* (C.A. 5, 1952) *supra.*

The decisions in the *Farr* and *Dalton* cases, like petitioners' contentions, depend for their substance on the assertion that the language used in Section 1391(c) is unambiguous and is broad enough to encompass patent cases, hence, the Court may not look to the explanatory legislative history of that section and Section 1400(b) to determine the real intent of Congress as to the application of the former to the latter.

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6. The unreported cases, *Aetna Ball & Roller Bearing Co.* v. *The Federal Bearing Company, Inc., supra,* supporting Judge Harrison, and *Radio Corporation of America* v. *Paramount Pictures, Inc., et al., supra,* supporting petitioners, are without opinion and are of little help one way or the other in determining the issues involved here.

These decisions and contentions have no more substance than the technicality upon which they are based. The asserted rule for statutory interpretation, to the extent that it exists at all, has no application to the present issue. The issue here does not turn on the ambiguity or lack of ambiguity of the language used in Section 1391(c) but on the intent of Congress as to the application of that section to Section 1400(b). It does not follow from the fact that the language used in the general provisions of Section 1391(c) lacks ambiguity and is broad enough to include cases covered by the special provisions of Section 1400(b) that Congress intended the special provisions to be modified by the general provisions. Had that been the rule, this Court could not have decided the *Stonite* case as it did. In this regard, the Court's function is to give effect to the intent of Congress. If by giving effect to broad language used in one section the result is to emasculate the provisions of another section, or to reach a result that is at variance with the real purpose and policy of the legislation as a whole, the Court not only may, but should look to every aid available to it in ascertaining whether Congress intended such an incongruous result. In the instant case, petitioners' contentions and the decisions in the *Farr* and *Dalton* cases result in the complete emasculation of the second alternative of Section 1400(b) as applied to corporations. That is itself sufficient to require the Court to look to the legislative history for an indication of the intent of Congress on the question in issue. That history shows clearly a contrary intent. In these circumstances, both petitioners' contentions and the *Farr* and *Dalton* cases upon which they rely should be rejected.

The other cases and authorities cited by petitioners (Petitioners' Brief, pp. 22-25) are not controlling here. Moore's article, relied upon by petitioners, must be viewed

with misgiving. It is aptly characterized by Judge Harrison in these words (92 F. Supp. at p. 18):

> "Plaintiffs rely heavily upon Moore's Commentary on U. S. Judicial Code, particularly pages 184 and 185, and Moore's Federal Practice, Vol. III, pp. 2139, 2140, wherein the author considers the case of Stonite Products *v.* Lloyd, supra, overruled by the gearing of residence under Section 1391(c) to Section 1400(b).
>
> "Yet the author as a paid consultant in testifying before Subcommittee No. 1 stated that: 'Venue provisions have not been altered by the revision.' He then proceeds to point out certain changes applying to patent infringement cases. U. S. Code Congressional Service (1948) p. 1969, Title 28 Pamphlet.
>
> "To say the least the two statements are inconsistent. Prof. Moore in a letter explaining the inconsistencies states in part, 'In brief, my House statement was prepared on short notice and under pressure; my published writings are prepared after careful and extensive deliberation.'
>
> "But the real question is: Did Congress intend to change the venue provisions in patent infringement cases where the defendant is a corporation? Professor Moore's statement before the Committee tended to establish that the revised section caused no change in existing law. The Committee relied and acted upon his testimony along with the testimony given by others. The hearings before the Committee clearly indicate that no change in venue statutes was contemplated by Congress except such changes as were expressly set forth in the Reviser's Notes."

The excerpt from *Federal Practice and Procedure* (1950) by Barron and Holtzoff, quoted by petitioners (Petitioners' Brief, pp. 29-30), does not support the

assertion that these writers agree with petitioners that the new Judicial Code changed the venue requirements for patent cases. It merely indicates that Section 1391 (c) was an outgrowth of the decision of the Supreme Court in *Neirbo Co.* v. *Bethlehem Corp.* (1939), 308 U. S. 165, which was limited to diversity cases such as those now coming within Section 1391(a). In this regard, see *Carlisle* v. *Kelly Pile & Foundation Corporation* (C.A. 3, 1949), 175 F. (2d) 414, 416, where the Court said:

> "• • • the views of the Supreme Court expressed in its decisions were crystalized in Section 1391(c) of Title 28, U. S. Code Annotated. • • • The language of the subsection is new but its essence is of the Schollenberger, Neirbo and Gulf Oil rulings."

Moreover, petitioners' quotation from Barron and Holtzoff must be read in the light of the earlier admonition (*Federal Practice and Procedure,* p. 135) that

> "• • • A special venue statute, i. e., one expressly covering venue of a particular kind of action, will control over a general venue statute • • •."

It must also be read in the light of the fact that Barron and Holtzoff in discussing the venue provisions for patent infringement actions in Section 83 of their work (at p. 159) make no suggestion of any kind as to any enlargements of the venue requirements as set forth in Section 1400(b) by the application thereto of the provisions of Section 1391(c).

Bagner v. *Blidberg Rothchild Co.* (D.C. E.D. Pa., 1949), 84 F. Supp. 973, *Bounds* v. *Streckfus Steamers* (D.C.D. Del., 1950), 89 F. Supp. 242, *Mincy* v. *Detroit & Cleveland Navigation Co.* (D.C. S.D. N.Y., 1950), 94 F. Supp. 456, and *Phillips* v. *Pope & Talbot, Inc.* (D.C. S.D. N.Y., 1952),

102 F. Supp. 51, all involved actions under the Jones Act, Title 46 United States Code, Section 688 (Act of June 5, 1920 c. 250 §33, 41 Stat. 1007). The *Bounds, Mincy* and *Phillips* cases merely followed the *Bagner* case and in the *Bagner* case the Court held, in effect, that the interpretation of Section 51 of the Judicial Code of 1911 (Section 112 of Title 28 U.S.C., 1940 ed.) controlled the interpretation of the venue provisions of the Jones Act prior to the revision of the Code; and that when old Section 51 was modified by the revision of the Code, that in turn changed the interpretation of the Jones Act. No such argument can be advanced here in the face of the decision of this Court in *Stonite Co.* v. *Melvin Lloyd Co., supra.*

Lipp v. *National Screen Service Corp., supra,* holds that Title 28 United States Code, Section 1391(c) supplemented Section 12 of the Clayton Act, Title 15 United States Code, Section 22, so as to make proper an anti-trust action against a foreign corporation which is not doing business in the district but which is licensed to do business there. In so holding, the Court stated (95 F. Supp. at p. 69) that anti-trust plaintiffs

> "• • • are not deprived of the benefits of these general venue provisions. • • • The venue provisions of the anti-trust laws were enacted to give anti-trust plaintiffs special venue privileges in addition to those granted by general venue statutes."

This reasoning does not apply to the case at bar. *Stonite Co.* v. *Melvin Lloyd Co., supra.*

CONCLUSION

In conclusion, respondents submit that petitioners' motion in the Delaware District Court to retransfer the *Gulf et al.* v. *Schlumberger* case back to the California District Court was properly denied and that the Court of Appeals for the Third Circuit properly held that this was not a proper case for the issuance of a writ of mandamus. Respondent Schlumberger Well Surveying Corporation also submits that no error obtains in the ruling on the venue issue in the *Gulf et al.* v. *Schlumberger* case by Judge Harrison in the District Court for the Southern District of California, Central Division.

Respectfully submitted,

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APPENDIX A

Title 28 United States Code

Section 1391. **Venue generally**

(a) A civil action wherein jurisdiction is founded only on diversity of citizenship may, except as otherwise provided by law, be brought only in the judicial district where all plaintiffs or all defendants reside.

(b) A civil action wherein jurisdiction is not founded solely on diversity of citizenship may be brought only in the judicial district where all defendants reside, except as otherwise provided by law.

(c) A corporation may be sued in any judicial district in which it is incorporated or licensed to do business or is doing business, and such judicial district shall be regarded as the residence of such corporation for venue purposes.

(d) An alien may be sued in any district.

• • •

Section 1400. **Patents and copyrights**

• • •

(b) Any civil action for patent infringement may be brought in the judicial district where the defendant resides, or where the defendant has committed acts of infringement and has a regular and established place of business.

• • •

Section 1406. **Cure or waiver of defects**

(a) The district court of a district in which is filed a case laying venue in the wrong division or district shall dismiss, or if it be in the interest of justice, transfer such case to any district or division in which it could have been brought.

• • •

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IN THE

Supreme Court of the United States.

OCTOBER TERM, 1952.

No. 24.

GULF RESEARCH & DEVELOPMENT COMPANY, WELEX JET SERVICES, INC., AND BYRON JACKSON CO.,

Petitioners,

v.

THE HONORABLE PAUL LEAHY, UNITED STATES DISTRICT JUDGE, AND SCHLUMBERGER WELL SURVEYING CORPORATION,

Respondents.

PETITION FOR REHEARING.

Petitioners pray that this Court grant rehearing of its order entered October 27, 1952, affirming by an equally divided Court the judgments entered below in this case and *Cardox Corporation v. C-O-Two Fire Equipment Co.*, No. 25, October Term, 1952.

REASONS FOR GRANTING REHEARING.

The order as to which rehearing is requested has the effect of increasing the confusion among the lower courts not only as to whether Section 1391(c) of revised Title 28, U. S. Code, supplies a definition of the residence of a defendant corporation for suits for patent infringement

brought under Section 1400(b); but also as to whether mandamus is appropriate to review a venue decision.

This Court most recently has passed upon the effect of an affirmance by an equally divided Court in *United States v. Pink*, 315 U. S. 203, 216 (1941) wherein it was said as to such an affirmance that:

> "While it was conclusive and binding upon the parties as respects that controversy * * *, the lack of an agreement by a majority of the Court on the principles of law involved prevents it from being an authoritative determination for other cases. Hertz v. Woodman, 218 U. S. 205, 213, 214 (1909)."

Thus the order as to which rehearing is requested has produced the following specific anomalies:

(a) It affirms the holding of the Court of Appeals for the Third Circuit in this case that mandamus is not appropriate to review a venue decision [R. 44], while affirming the squarely conflicting holding of the Court of Appeals for the Seventh Circuit in *Cardox v. C-O-Two* that mandamus *is* appropriate for such purpose [R. 23 in No. 25];

(b) It affirms the holding (by a divided court) of the Court of Appeals for the Seventh Circuit in *Cardox v. C-O-Two* that Section 1391(c) of revised Title 28, U. S. Code, does not supply a definition of the residence of a corporate defendant for Section 1400(b) thereof [R. 21 in No. 25], while leaving undisturbed the squarely conflicting holding (by a unanimous court) of the United States Court of Appeals for the Fifth Circuit in *Dalton v. Shakespeare*, 196 F. 2d 469 (1952) that Section 1391(c) *does* supply such definition; and

(c) It affirms the holding of the United States Court of Appeals for the Third Circuit in this case that the venue question may be raised on appeal after final judgment on the merits [R. 44], while, in effect, denying such a privilege to the petitioner in *Cardox v. C-O-Two.*

If the Court should be of the view that a rehearing on the venue question still would result in an equally divided Court, petitioners respectfully suggest that this Court now could remand this case to the Court of Appeals for the Third Circuit with instructions to hear argument on, and to consider and decide, the venue question en banc. Compare *United States ex rel. Robinson v. Johnson*, 316 U. S. 649 (1962).

CONCLUSION.

For the reasons set forth above, it is urged that rehearing of this Court's order of October 27, 1952, be granted; or, in the alternative, that this case be remanded to the Court of Appeals for the Third Circuit with instructions to hear argument on, and to consider and decide, the venue question en banc.

Respectfully,

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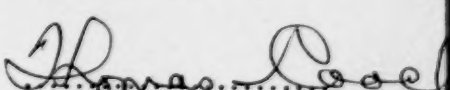
Attorneys for Petitioners.

Certificate of Counsel.

I hereby certify that the foregoing petition for rehearing is presented in good faith and not for delay.



Attorney for Petitioner.

No. 24. GULF RESEARCH & DEVELOPMENT CO. ET AL. *v.* LEAHY, U. S. DISTRICT JUDGE, ET AL. Certiorari, 343 U. S. 925, to the United States Court of Appeals for the Third Circuit. Argued October 21, 1952. Decided October 27, 1952. *Per Curiam:* The judgment is affirmed by an equally divided Court. THE CHIEF JUSTICE took no part in the consideration or decision of this case. *Leonard S. Lyon* argued the cause for petitioners. With him on the brief were *Richard E. Lyon* and *Thomas Cooch*. *Worthington Campbell* argued the cause for respondents. With him on the brief were *E. Ennalls Berl* and *Mark N. Donohue*. Reported below: 193 F. 2d 302.